

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall prevail.

Securities Code: 6740

August 11, 2020

To our shareholders

Scott Callon  
Chairman and Representative Director  
**Japan Display Inc.**  
7-1, Nishi-Shinbashi 3-chome, Minato-ku, Tokyo

## **Notice of the 18th Annual General Meeting of Shareholders and Class Meeting by Common Shareholders**

First, we would like to express our deepest sympathies to all those affected by the novel coronavirus infectious disease and involved parties, and we wish them the earliest possible recovery.

We hereby notify you that the 18th Annual General Meeting of Shareholders of Japan Display Inc. (the “Company”) (hereinafter the “Meeting”) will be held as indicated below.

Proposal No. 3 “Partial Amendments to the Articles of Incorporation (2)” will be submitted to the Meeting as a proposal. This proposal requires a resolution under Article 322 of the Companies Act. Therefore, we decided to hold a Class Meeting by Common Shareholders along with the Meeting.

In terms of ensuring your health and safety and preventing the spread of novel coronavirus infections, we strongly ask that you exercise your voting rights by returning the enclosed voting form or via the Internet, etc. by 5:30 p.m., Tuesday, August 25, 2020 and regardless of your health condition, refrain from attending the Meeting as much as possible.

The circumstances of the Meeting and Class Meeting by Common Shareholders will be posted on the Company’s website at a later date.

1. Date and Time: Wednesday, August 26, 2020, at 10 a.m. (Reception begins at 9 a.m.)  
(The date of the Meeting does not correspond with the date of the previous Annual General Meeting of Shareholders (June 18, 2019) because the Company experienced a delay in the settlement of accounts due to effect of the spread of the novel coronavirus infections and postponed the initially scheduled date of the Meeting.)
2. Venue: Bellesalle Onarimon Tower on the 3th floor  
1-1, Shibakoen 1-chome, Minato-ku, Tokyo
3. Purpose of the Meeting  
<Annual General Meeting of Shareholders>  
Matters to be reported:

1. Business Report, Consolidated Financial Statements, and Audit Reports for the Consolidated Financial Statements by the Independent Auditor and the Board of Company Auditors, for the 18th Fiscal Year (from April 1, 2019 to March 31, 2020)
2. Non-consolidated Financial Statements for the 18th Fiscal Year (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

- Proposal No. 1: Reduction of Capital Reserve and Appropriation of Surplus
- Proposal No. 2: Partial Amendments to the Articles of Incorporation (1)
- Proposal No. 3: Partial Amendments to the Articles of Incorporation (2)
- Proposal No. 4: Issuance of Class D Preferred Shares and Stock Acquisition Rights through Third-party Allotment
- Proposal No. 5: Election of Seven (7) Directors

<Class Meeting by Common Shareholders>

Matters to be resolved:

Proposal: Partial Amendments to the Articles of Incorporation

4. Matters regarding exercise of voting rights

- (1) If you exercise your voting rights by proxy, such proxy shall present to the receptionist a power of attorney with the voting form. Please note the proxy must be one other shareholder having voting rights in the Company.
- (2) If split votes are cast, a written notice of the diverse exercise of voting rights and the reasons thereof must be sent to the shareholder registry administrator by three (3) days in advance of the Meeting.
- (3) In the event of a duplicate vote, one cast via the Internet, etc. and the other cast in writing, the Company shall consider the vote cast via the Internet, etc. to be the valid one.
- (4) In the event you exercise your voting rights more than once using the Internet, etc., the Company shall consider the last vote cast to be the valid one.

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| <ul style="list-style-type: none"><li>○ When attending at the Meeting, you are kindly requested to present the enclosed voting form to the receptionist. For the purpose of resource-saving, please bring this notice with you.</li><li>○ Any modifications to the Reference Documents for the General Meeting of the Shareholders, Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements shall be posted on the Company's website.</li></ul> |
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**The Company's website (<https://www.j-display.com/english/>)**

<NOTICE REGARDING THE NOVEL CORONAVIRUS>

In order to prevent the spread of coronavirus infections this year, the number of seats available will be significantly lower than the number of seats available during past years, as the spacing between seats will be increased. Therefore, you may be refused entry to the venue even if you come. We would appreciate your understanding in advance.

Before attending the Meeting, please carefully consider the situation surrounding the epidemic and your physical condition as of the date of the Meeting, and take care to prevent infection. We also ask for your cooperation in taking measures to prevent infection in consideration of the safety of shareholders at the venue of the Meeting.

Shareholders who come to the Meeting are requested to bring and wear face masks. Shareholders who do not bring or wear face masks may be refused entry to the venue and may be asked to leave.

Operation staff members will check their physical condition including taking their temperature, and will wear face masks.

At this Meeting and the Class Meeting by Common Shareholders, we will omit detailed explanations of the matters to be reported (including audit reports) and the proposals from the viewpoint of shortening the time of the Meeting and the Class Meeting by Common Shareholders, in order to prevent the spread of the coronavirus infection. We would like to ask you to read this Notice beforehand.

The above measures may be updated depending on the status of the spread of the infection up to the day and the announcement by the government. Please confirm the information that we will post on our website.

We will not exhibit our products this time.

In addition, we do not provide any souvenirs to shareholders who attend the meeting.

We would appreciate your understanding in advance.

## Reference Documents for the General Meeting of the Shareholders [Annual General Meeting of Shareholders]

### Proposal No. 1: Reduction of Capital Reserve and Appropriation of Surplus

As of March 31, 2020, the Company had a retained loss carried forward of JPY 472,699,909,486.

As described below, with the aim of (i) reducing the tax burden by reducing the amount of capital reserve and (ii) restoring financial soundness and securing the flexibility of capital policy by partly offsetting this retained loss, the Company plans to (i) reduce its capital reserve and transfer the reduced amount to other capital surplus pursuant to Article 448, paragraph (1) of the Companies Act, and (ii) transfer a part of the amount of other capital surplus, as increased based on the said transfer, to retained loss carried forward pursuant to Article 452 of the Companies Act.

The reduction of capital reserve and the appropriation of surplus will not affect the total number of issued shares or the number of shares held by the shareholders. Further, the reduction of capital reserve and the appropriation of surplus are reclassifications of the “net assets” account on the Company’s balance sheet, and there is no change in the amount of the Company’s net assets. Accordingly, there will be no change in the amount of the Company’s net assets per share.

#### 1. Details of Reduction of Capital Reserve

(1) Amount of capital reserve to be reduced

The Company will reduce its capital reserve by JPY 217,547,043,063, being its full amount, and transfer the same amount to other capital surplus.

(2) Effective date of the reduction of capital reserve

August 26, 2020

#### 2. Details of Appropriation of Surplus

As described below, pursuant to Article 452 of the Companies Act and subject to the effectuation of the reduction of capital reserve above, the Company will transfer the amount of other capital surplus transferred from the capital reserve based on the transaction shown in 1. above to retained loss carried forward, thereby offsetting a part of the retained loss. This will result in the amount of the retained loss carried forward being JPY 255,152,866,423.

(1) Item and amount of surplus to be reduced

Other capital surplus	JPY 217,547,043,063
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(2) Item and amount of surplus to be increased

Retained earnings carried forward	JPY 217,547,043,063
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**Proposal No. 2: Partial Amendment of the Articles of Incorporation (1)**

**1. Reasons for the Proposal**

The Company has decided to transition from a company with supervisory auditors to a company with a committee governance structure, with the aim of segregating its business execution and supervision as well as enhancing the management supervisory functions, improving transparency and fairness of management, and speeding up decision making functions and business execution functions.

Given the above, the Company will amend its Articles of Incorporation by establishing new provisions regarding each committee and their executive officers, and deleting provisions regarding supervisory auditors and the audit and supervisory board. The Company will also make necessary changes, including the adjustment of article numbers due to such amendment.

Each supervisory auditor has given consent to establish Article 36 (after the amendment). The proposed amendment of the Articles of Incorporation will take effect as at the closing of the Meeting.

**2. Details of the Amendment**

Details of the amendment are as provided below.

(Underlines denote amendments)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>Articles 1 to 3 (omitted)</p> <p>Article 4 (Organ) The Company shall have the following organs in addition to the General Meeting of Shareholders and the Directors:</p> <p>(1) Board of Directors; (2) <u>Company Auditors</u>; (3) <u>Audit and Supervisory Board</u>; and (4) Financial Auditors.</p> <p>Article 5 (omitted)</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>Articles 1 to 3 (no change)</p> <p>Article 4 (Organ) The Company shall have the following organs in addition to the General Meeting of Shareholders and the Directors:</p> <p>(1) Board of Directors; (2) <u>Nominating Committee, Audit Committee, and Compensation Committee</u>; (3) <u>Executive Officers</u>; and (4) Financial Auditors.</p> <p>Article 5 (no change)</p>
<p style="text-align: center;">Chapter II Shares</p> <p>Articles 6 and 7 (omitted)</p> <p>Article 8 (Share Handling Rules) The handling and fees for shares of the Company shall be subject to laws and regulations, these Articles of Incorporation, and the Share Handling Rules determined by the Board of Directors.</p> <p>Articles 9 and 10 (omitted)</p>	<p style="text-align: center;">Chapter II Shares</p> <p>Articles 6 and 7 (no change)</p> <p>Article 8 (Share Handling Rules) The handling and fees for shares of the Company shall be subject to laws and regulations, these Articles of Incorporation, and the Share Handling Rules determined by <u>a resolution of the Board of Directors or a decision of the Executive Officers commissioned pursuant to a resolution of the Board of Directors.</u></p> <p>Articles 9 and 10 (no change)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 11 (Shareholder Register Administrator)</p> <ol style="list-style-type: none"> <li>1. (omitted)</li> <li>2. The shareholder register administrator and its office of share handling shall be determined by a resolution of the Board of Directors and shall be announced by public notice.</li> <li>3. (omitted)</li> </ol> <p style="text-align: center;">Chapter II-2 Class Shares</p> <p>Articles 11-2 to 11-4 (omitted)</p> <p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Articles 12 and 13 (omitted)</p> <p>Article 14 (Convener and Chairperson)</p> <ol style="list-style-type: none"> <li>1. Unless otherwise provided by any law or regulation, the General Meeting of Shareholders shall be convened and chaired by a <u>Representative Director of the Company (or the Representative Director predetermined by the Board of Directors if there is more than one Representative Director) pursuant to a resolution of the Board of Directors.</u></li> <li>2. If the <u>Representative Director</u> referred to in the preceding paragraph is unable to so act, then one of the other Directors shall do so in the order predetermined by the Board of Directors.</li> </ol> <p>Articles 15 to 18-2 (omitted)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>Articles 19 to 21 (omitted)</p> <p><u>Article 22 (Representative Directors and Directors with Special Titles)</u></p> <ol style="list-style-type: none"> <li>1. <u>The Company shall elect a Representative Director(s) by a resolution of the Board of Directors.</u></li> <li>2. <u>The Company may, by a resolution of the Board of Directors, elect one Chairperson and Director, one President and Director, and a small</u></li> </ol>	<p>Article 11 (Shareholder Register Administrator)</p> <ol style="list-style-type: none"> <li>1. (no change)</li> <li>2. The shareholder register administrator and its office of share handling shall be determined by a resolution of the Board of Directors <u>or a decision of the Executive Officers commissioned pursuant to a resolution of the Board of Directors</u> and shall be announced by public notice.</li> <li>3. (no change)</li> </ol> <p style="text-align: center;">Chapter II-2 Class Shares</p> <p>Articles 11-2 to 11-4 (no change)</p> <p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Articles 12 and 13 (no change)</p> <p>Article 14 (Convener and Chairperson)</p> <ol style="list-style-type: none"> <li>1. Unless otherwise provided by any law or regulation, the General Meeting of Shareholders shall be convened and chaired by <u>the Director predetermined by a resolution of the Board of Directors.</u></li> <li>2. If the Director referred to in the preceding paragraph is unable to so act, then one of the other Directors shall do so in the order predetermined by the Board of Directors.</li> </ol> <p>Articles 15 to 18-2 (no change)</p> <p style="text-align: center;">Chapter IV Directors and Board of Directors</p> <p>Articles 19 to 21 (no change)</p> <p style="text-align: center;">(deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>number of other Directors with special titles.</u></p>	
<p><u>Article 23 (Compensation for Directors) Compensation, bonuses, and other benefits of a proprietary nature as consideration for the performance of duties (the “Compensation”) received by Directors from the Company shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	<p>(deleted)</p>
<p>(Newly established)</p>	<p><u>Article 22 (Chairperson of Board of Directors Meetings) A Board of Directors meeting shall elect its Chairperson from among the Directors by a resolution.</u></p>
<p><u>Article 24 (Convener of Board of Directors Meetings)</u></p> <ol style="list-style-type: none"> <li>1. Unless otherwise provided by any law or regulation, a Board of Directors meeting shall be convened by <u>a Representative Director (or the Representative Director predetermined by the Board of Directors if there is more than one Representative Director).</u></li> <li>2. If the <u>Representative Director referred to in the preceding paragraph</u> is unable to perform the duty under the preceding paragraph, then one of the other Directors shall convene the Board of Directors meeting in the order predetermined by the Board of Directors.</li> </ol>	<p><u>Article 23 (Convener of Board of Directors Meetings)</u></p> <ol style="list-style-type: none"> <li>1. Unless otherwise provided by any law or regulation, a Board of Directors meeting shall be convened by <u>the Chairperson of the Board of Directors.</u></li> <li>2. If the <u>Chairperson of the Board of Directors</u> is unable to perform the duty under the preceding paragraph, then one of the other Directors shall convene the Board of Directors meeting in the order predetermined by the Board of Directors.</li> </ol>
<p><u>Article 25 (Convocation Notice of Board of Directors Meetings)</u></p> <ol style="list-style-type: none"> <li>1. Convocation notice of a Board of Directors meeting shall be dispatched to each Director <u>and each Company Auditor</u> at least three days before the date of the meeting; however, such period may be shortened in an emergency.</li> <li>2. A Board of Directors meeting may be held without the convocation procedures, subject to the unanimous consent of all Directors <u>and Company Auditors.</u></li> </ol>	<p><u>Article 24 (Convocation Notice of Board of Directors Meetings)</u></p> <ol style="list-style-type: none"> <li>1. Convocation notice of a Board of Directors meeting shall be dispatched to each Director at least three days before the date of the meeting; however, such period may be shortened in an emergency.</li> <li>2. A Board of Directors meeting may be held without the convocation procedures, subject to the unanimous consent of all Directors.</li> </ol>
<p><u>Article 26 (Chairperson of Board of Directors Meetings)</u></p>	<p><u>Article 25 (Chairperson of Board of Directors Meetings)</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>1. A Board of Directors meeting shall be chaired by a <u>Representative Director (or the Representative Director predetermined by the Board of Directors if there is more than one Representative Director)</u>.</p> <p>2. If the <u>Representative Director referred to in the preceding paragraph</u> is unable to perform the duty under the preceding paragraph, then one of the other Directors shall chair the Board of Directors meeting in the order predetermined by the Board of Directors.</p>	<p>1. <u>Unless otherwise provided by any law or regulation</u>, a Board of Directors meeting shall be chaired by <u>its Chairperson</u>.</p> <p>2. If the <u>Chairperson of the Board of Directors</u> is unable to perform the duty under the preceding paragraph, then one of the other Directors shall chair the Board of Directors meeting in the order predetermined by the Board of Directors.</p>
Article 27 (omitted)	Article 26 (no change)
<p>Article 28 (Omission of Resolution of Board of Directors)</p> <p>If a Director makes a proposal regarding a matter that is subject to a resolution of the Board of Directors, and all Directors who may participate in the vote regarding the proposal manifest their consent to the proposal in writing or by electromagnetic record, the Board of Directors shall be deemed to have adopted a resolution approving the proposal, <u>except where any Company Auditor objects to the proposal</u>.</p>	<p>Article 27 (Omission of Resolution of Board of Directors)</p> <p>If a Director makes a proposal regarding a matter that is subject to a resolution of the Board of Directors, and all Directors who may participate in the vote regarding the proposal manifest their consent to the proposal in writing or by electromagnetic record, the Board of Directors shall be deemed to have adopted a resolution approving the proposal.</p>
<p>Article 29 (Minutes of Board of Directors Meetings)</p> <p>Proceedings of a Board of Directors meeting shall be recorded in minutes pursuant to laws and regulations, and the Company shall retain the same after the Directors <u>and Company Auditors</u> present thereat have affixed their signatures or names and seals, or electronic signatures thereon.</p>	<p>Article 28 (Minutes of Board of Directors Meetings)</p> <p>Proceedings of a Board of Directors meeting shall be recorded in minutes pursuant to laws and regulations, and the Company shall retain the same after the Directors present thereat have affixed their signatures or names and seals, or electronic signatures thereon.</p>
Articles 30 and 31 (omitted)	Articles 29 and 30 (no change)
<p><u>Chapter V Company Auditors and Audit and Supervisory Board</u></p>	(deleted)
<p><u>Article 32 (Number of Company Auditors)</u> <u>The Company shall have at least three Company Auditors.</u></p>	(deleted)
<p><u>Article 33 (Election of Company Auditors)</u> <u>A resolution to elect Company Auditors shall be adopted by a majority of the votes of the shareholders present at the General Meeting of Shareholders where the shareholders</u></p>	(deleted)



Current Articles of Incorporation	Proposed Amendments
<p><u>representing at least one third of the voting rights of all shareholders entitled to exercise voting rights are present.</u></p>	
<p><u>Article 34 (Term of Office of Company Auditors)</u>  <u>1. The term of office of a Company Auditor shall expire at the closing of the annual General Meeting of Shareholders in respect of the last fiscal year of the fiscal years ending within four years from his/her election.</u>  <u>2. The term of office of a Company Auditor elected to fill a vacancy for a Company Auditor who resigned from office before the expiration of his/her term of office shall expire when the term of office of the predecessor would have otherwise expired.</u></p>	(deleted)
<p><u>Article 35 (Convocation Notice of Audit and Supervisory Board)</u>  <u>1. Convocation notice of an Audit and Supervisory Board meeting shall be dispatched to each Company Auditor at least three days before the date of the meeting; however, such period may be shortened in an emergency.</u>  <u>2. An Audit and Supervisory Board meeting may be held without the convocation procedures, subject to the unanimous consent of all Company Auditors.</u></p>	(deleted)
<p><u>Article 36 (Method of Resolutions by the Audit and Supervisory Board)</u>  <u>Unless otherwise provided by any law or regulation, a resolution by an Audit and Supervisory Board meeting shall be adopted by a majority of the votes of the Company Auditors</u></p>	(deleted)
<p><u>Article 37 (Full-time Company Auditors)</u>  <u>The Audit and Supervisory Board shall elect a Full-time Company Auditor(s) by its resolution.</u></p>	(deleted)
<p><u>Article 38 (Minutes of Audit and Supervisory Board Meetings)</u>  <u>Proceedings of an Audit and Supervisory Board meeting shall be recorded in minutes pursuant to laws and regulations, and the Company shall retain the same after the Company Auditors present thereat have affixed</u></p>	(deleted)

Current Articles of Incorporation	Proposed Amendments
<u>their signatures or names and seals, or electronic signatures thereon.</u>	
<u>Article 39 (Rules of the Audit and Supervisory Board)</u> <u>The matters related to the Audit and Supervisory Board shall be subject to laws and regulations, these Articles of Incorporation, and the Rules of the Audit and Supervisory Board determined by the Audit and Supervisory Board.</u>	(deleted)
<u>Article 40 (Compensation for Company Auditors)</u> <u>The Compensation for Company Auditors shall be determined by a resolution of the General Meeting of Shareholders.</u>	(deleted)
<u>Article 41 (Exemption of Company Auditors from Liability)</u> <u>1. The Company may exempt the liability for damages of Company Auditors (including former Company Auditors) arising from a failure to perform their duties pursuant to Article 426, paragraph 1 of the Companies Act, to the extent permitted under laws and regulations and by a resolution of the Board of Directors.</u> <u>2. The Company may enter into an agreement with Company Auditors that limits their liability for damages arising from a failure to perform their duties pursuant to Article 427, paragraph 1 of the Companies Act. The liability under that agreement shall be limited to either of a predetermined amount equal to or exceeding the amount provided under laws or regulations, or the amount provided under laws or regulations, whichever is higher.</u>	(deleted)
(Newly established)	<u>Chapter V Nominating Committee, Audit Committee, and Compensation Committee</u>
(Newly established)	<u>Article 31 (Method of Electing Committee Members)</u> <u>Members of the Nominating Committee, Audit Committee, and Compensation Committee shall be elected from among the Directors by a resolution of the Board of Directors.</u>
(Newly established)	<u>Article 32 (Rules of Committee)</u>

Current Articles of Incorporation	Proposed Amendments
	<u>The matters related to the Nominating Committee, Audit Committee, and Compensation Committee shall be subject to laws and regulations, these Articles of Incorporation, and the rules determined by the respective Committees.</u>
(Newly established)	<u>Chapter VI Executive Officers</u>
(Newly established)	<u>Article 33 (Election of Executive Officers) Executive Officers of the Company shall be elected by a resolution of the Board of Directors.</u>
(Newly established)	<u>Article 34 (Term of Office)</u> 1. <u>The term of office of an Executive Officer shall expire at the closing of the first Board of Directors meeting convened after the closing of the annual General Meeting of Shareholders in respect of the last fiscal year of the fiscal year ending within one year from his/her election.</u> 2. <u>The term of office of an Executive Officer elected to fill a vacancy or to increase the number of Executive Officers shall expire when the term of office of the other Executive Officers currently in office expires.</u>
(Newly established)	<u>Article 35 (Representative Executive Officers and Executive Officers with Special Titles)</u> 1. <u>The Company shall elect a Representative Executive Officer(s) by a resolution of the Board of Directors.</u> 2. <u>The Company may elect a Chairperson and Executive Officer, a President and Executive Officer, and other Executive Officer(s) with Special Title(s) from among the Executive Officers by a resolution of the Board of Directors.</u>
(Newly established)	<u>Article 36 (Exemption of Executive Officers from Liability)</u> <u>The Company may exempt the liability for damages of Executive Officers (including former Executive Officers) arising from a failure to perform their duties pursuant to Article 426, paragraph 1 of the Companies Act, to the extent permitted under laws and regulations and by a resolution of the Board of Directors.</u>
Chapter <u>VI</u> Accounting	Chapter <u>VII</u> Accounting

Current Articles of Incorporation	Proposed Amendments
<p>Articles <u>42</u> to <u>45</u> (omitted)</p> <p>(Newly established)</p>	<p>Articles <u>37</u> to <u>40</u> (no change)</p> <p><u>Supplementary Provisions (Transitional Measures for Exemption of Company Auditors from Liability)</u>  <u>Exemption from liability of Company Auditors (including former Company Auditors) regarding their acts under Article 423, paragraph 1 of the Companies Act conducted before the closing of the 18th Annual General Meeting of Shareholders; and any agreements limiting their liability that may have been entered into with Company Auditors before the closing shall be subject to Article 41, paragraphs 1 and 2 of these Articles of Incorporation before they were amended upon the closing of the 18th Annual General Meeting of Shareholders.</u></p>

**Proposal No. 3: Partial Amendment to the Articles of Incorporation (2)**

**1. Reasons for the Proposal**

In order to issue new classes of shares, i.e., Class D Preferred Shares and Class E Preferred Shares (respectively as defined in Proposal No. 4), the Company will newly establish provisions concerning Class D Preferred Shares and Class E Preferred Shares (Articles 6, 7, 11-5, 11-6 and 11-7 of the proposed amended Articles of Incorporation).

For the reasons to issue stock acquisition rights the underlying shares of which are the Class D Preferred Shares and Class E Preferred shares, please see Proposal No. 4.

The proposed amendment to the Articles of Incorporation will take effect on condition that: (i) Proposal Nos. 3 and 4 be approved as originally proposed at the Meeting; and (ii) the proposal for the partial amendment to the Articles of Incorporation be approved as originally proposed at each of the general meetings of common shareholders, class shareholders of Japan Display Inc. class A preferred shares (the “Class A Preferred Shares”), and class shareholders of Japan Display Inc. class B preferred shares (the “Class B Preferred Shares”) (collectively, the “Respective General Meetings of Class Shareholders”).

**2. Details of the Amendment**

Details of the amendment are as provided below.

(Underlines denote amendments)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Authorized Shares and Class Shares) Article 6 The total number of authorized shares of the Company shall be 10,000,000,000 shares, and total number of authorized class shares of the Company shall be as follows: Common shares 10,000,000,000 shares Class A Preferred Shares 1,020,000,000 shares Class B Preferred Shares 672,000,000 shares Class C Preferred Shares 672,000,000 shares	(Total Number of Authorized Shares and Class Shares) Article 6 The total number of authorized shares of the Company shall be 10,000,000,000 shares, and total number of authorized class shares of the Company shall be as follows: Common shares 10,000,000,000 shares Class A Preferred Shares 1,020,000,000 shares Class B Preferred Shares 672,000,000 shares Class C Preferred Shares 672,000,000 shares <u>Class D Preferred Shares 500 shares</u> <u>Class E Preferred Shares 5,540 shares</u>
(Share Unit) Article 7 The share unit of common shares, the Class A Preferred Shares, the Class B Preferred Shares, <u>and</u> the Class C Preferred Shares of the Company shall be 100 shares.  (Newly established)	(Share Unit) Article 7 The share unit of common shares, the Class A Preferred Shares, the Class B Preferred Shares, <u>the Class C Preferred Shares, the Class D Preferred Shares, and the Class E Preferred Shares</u> of the Company shall be 100 shares.  <u>(Class D Preferred Shares)</u> <u>Article 11-5</u>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="802 230 1382 327"><u>The details of the Class D Preferred Shares issued by the Company shall be provided in the following paragraph through paragraph 8.</u></p> <p data-bbox="802 360 1098 394"><u>2. Dividend of surplus</u></p> <p data-bbox="802 427 1098 461"><u>(1) Dividend of surplus</u></p> <p data-bbox="802 465 1393 1637"><u>The Company shall pay dividends per Class D Preferred Share calculated by multiplying dividends per common share by the Class D Conversion Rate (defined below) on the dividend payment date to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; and the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date. If a fraction that is less than JPY 1 occurs as a result of multiplying dividends per Class D Preferred Share by the number of shares over which the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares have rights, such fraction will be omitted.</u></p> <p data-bbox="802 1671 1382 1939"><u>“Class D Conversion Rate” means the number (calculated to the third decimal place, and the digit in the third decimal place shall be omitted) obtained by dividing the Class D Investment Amount (defined in item (2); hereinafter the same) at that time by the Class D Conversion Price (defined in paragraph 8, item (3); hereinafter the same).</u></p> <p data-bbox="802 1973 1289 2007"><u>(2) The Class D Investment Amount</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p>1) <u>The initial amount shall be JPY 10,000,000.</u></p> <p>2) <u>If the Company implements the Share Split, etc. of the Class D Preferred Shares, the Class D Investment Amount shall be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, “Number of issued and outstanding Class D Preferred Shares before the Share Split, etc.” and “Number of issued and outstanding Class D Preferred Shares after the Share Split, etc.” in the following formula shall be to be read as “Number of issued and outstanding Class D Preferred Shares before the allotment of shares without contribution (excluding, however, the Class D Preferred Shares held by the Company at that time)” and “Number of issued and outstanding Class D Preferred Shares after the allotment of shares without contribution (excluding, however, the Class D Preferred Shares held by the Company at that time),” respectively.</u></p> $\frac{\text{Class D Investment Amount after adjustment}}{\text{Class D Investment Amount before adjustment}} = \frac{\text{Class D Investment Amount before adjustment}}{\text{Class D Investment Amount after adjustment}} \times \frac{\text{Number of issued and outstanding Class D Preferred Shares before the Share Split, etc.}}{\text{Number of issued and outstanding Class D Preferred Shares after the Share Split, etc.}}$ <p><u>The Class D Investment Amount after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p>3) <u>If other events similar to 2) above occur, the Class A Investment Amount shall be properly adjusted by resolutions of the Company’s board of directors meeting.</u></p> <p>3. <u>Distribution of residual assets</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p>(1) <u>Distribution of residual assets</u>  <u>When the Company distributes its residual assets at the dissolution of the Company, the Company shall pay amounts per Class D Preferred Share equivalent to the Class D Investment Amount to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares, <i>pari passu</i> with the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, before the Common Shareholders and the Registered Pledges of Common Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class D Preferred Share by the number of shares over which the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares have rights, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets shall be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.</u></p> <p>(2) <u>Participation clause</u>  <u>If residual assets remain even after the distribution of residual assets to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares pursuant to item (1), the Company shall distribute residual assets per Class D Preferred Share calculated by multiplying the amount of residual assets per common share by the Class D Conversion Rate at the time of the distribution of residual assets to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares, the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares,</u></p>



Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>and the Class E Preferred Shareholders and the Registered Pledgees of Class E Preferred Shares.</u></p> <p>4. <u>Transfer restriction</u></p> <p><u>Acquisition of Class D Preferred Shares through their transfer requires the approval of the Company's board of directors meeting.</u></p>
(Newly established)	<p>5. <u>Voting rights</u></p> <p><u>The Class D Preferred Shareholders have no voting rights at general meetings of shareholders, unless otherwise provided for by law.</u></p>
(Newly established)	<p>6. <u>Voting rights at the general meeting of class shareholders</u></p> <p><u>Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class D Preferred Shareholders is required in order for the Company to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.</u></p>
(Newly established)	<p>7. <u>Cash-consideration call option (mandatory redemption)</u></p> <p><u>Notwithstanding the intent of the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares, in exchange for delivering the Class D Investment Amount to the Class D Preferred Shareholders and the Registered Pledgees of Class D Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by the Company's board of directors meeting (the "Mandatory Redemption Date" in this paragraph 7), the Company may acquire the Class D Preferred Shares in whole or in part anytime, within the extent permitted by law, if the Mandatory Redemption Date has arrived. If there is more than one Class D Preferred Shareholder at the time of acquiring part of the Class D Preferred Shares, the Class D Preferred Shares to be acquired by the Company shall be determined by its board of directors meeting on a pro rata basis.</u></p>
(Newly established)	<p>8. <u>Common share-consideration put option (right to claim redemption)</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>(1) Details of the conversion claim</u>  <u>On or after the first anniversary of the payment date, within the extent permitted by law, the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares may claim that the Company deliver common shares per Class D Preferred Share the number of which is calculated based on the formula stated in item (2), in exchange for the Company acquiring the Class D Preferred Shares (the “Conversion Claim” in this paragraph 8).</u></p> <p><u>(2) Formula for number of common shares to be delivered based on the Conversion Claim</u>  <u>The number of common shares to be delivered in exchange for acquiring one Class D Preferred Share shall be calculated based on the following formula:</u></p> <p><u>(Formula)</u>  <u>Number of common shares to be delivered in exchange for acquiring one Class D Preferred Share</u>  <u>= Class D Investment Amount ÷ Class D Conversion Price</u></p> <p><u>If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares, such fraction shall be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.</u></p> <p><u>(3) Class D Conversion Price</u>  <u>The Class D Conversion Price shall be an amount stated below.</u></p> <p><u>1) The initial price shall be JPY 50.</u></p> <p><u>2) Notwithstanding 1) above, if any of the following (i) through (v) occurs at the Company, the Company shall adjust the Class D Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place.</u></p> <p><u>(i) If the Company implements the Share Split, etc. of common shares, the Company shall adjust the Class D Conversion Price based on the formula below. In the case of an allotment of</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>shares without contribution, “Number of issued and outstanding common shares before the Share Split, etc.” and “Number of issued and outstanding common shares after the Share Split, etc.” in the following formula shall be to be read as “Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)” and “Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by the Company at that time),” respectively.</u></p> $\frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} \times \frac{\text{Number of issued and outstanding common shares before the Share Split, etc.}}{\text{Number of issued and outstanding common shares after the Share Split, etc.}}$ <p><u>The Class D Conversion Price after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p><u>(ii) If the Company issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (ii)) the price of which is less than the Class D Conversion Price before the adjustment (excluding, however, the cases where (a) the Company implements an allotment of shares without contribution, (b) the Company issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph 8)), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or the Company, or subject to conditions that certain events occur; hereinafter the same in this paragraph 8), (c) the</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>Company delivers its common shares as a result of a merger, share exchange, or company split, or (d) the Company sells its treasury shares pursuant to Article 194 of the Companies Act), the Company shall adjust the Class D Conversion Price based on the formula below.</u></p> <p><u>In this paragraph 8, the “Total Number of Shares” means the number obtained by adding (x) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by the Company) as of the day before the date on which the Class D Conversion Price after the adjustment is applied to (y) the number of issued and outstanding common shares as of the same day (excluding those held by the Company). Also, in the case of a disposition of treasury shares, “Issue price” and “Number of shares to be newly issued” in the formula stated in this item (ii) are to be read as “Disposition price” and “Number of treasury shares to be disposed,” respectively.</u></p> $  \frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} = \frac{\text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}  $ <p><u>The Class D Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period). If a record date for the allotment to shareholders is set, the Class D Conversion Price after adjustment shall be applied on and after the day following such record date.</u></p> <p><u>(iii) If the Company issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class D Conversion Price before adjustment, the Company shall adjust the Class D</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="804 226 1358 495"><u>Conversion Price based on the formula below. However, “Number of shares to be newly issued” in the formula stated in this item (iii) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (iii) is applied.</u></p> $  \frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} = \frac{\text{Class D Conversion Price before adjustment} \times \frac{\text{Total Number of Shares}}{\text{Number of shares to be newly issued}} + \frac{\text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Class D Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}  $ <p data-bbox="804 954 1390 1424"><u>The Class D Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period), and in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class D Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p> <p data-bbox="804 1458 1390 2022"><u>(iv) If the Company issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the “Price of Consideration per Share” in this item (iv)) is less than the Class D Conversion Price before adjustment, the Company shall adjust the Class D Conversion Price based on the formula below. However, “Number of shares to be newly issued” in the formula stated in this item (iv) means the number of common shares to be delivered if all the stock acquisition rights are</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="804 230 1390 324"><u>exercised or converted into common shares on the date on which the adjustment under this item (iv) is applied.</u></p> $  \frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} = \frac{\text{Class D Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}  $ <p data-bbox="804 786 1390 1256"><u>The Class D Conversion Price after adjustment shall be applied on and after the day following the day of the allotment, and in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class D Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p> <p data-bbox="804 1292 1390 2022"><u>(v) If any of (a) a merger in which the Company becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which the Company becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which the Company becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of the Company to be allotted to shareholders of a consolidated company through a merger or per share of the Company to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of the Company to be allotted to a split company or shareholders of a split company through a company split (the "Allotted Shares" in this paragraph 8) (such value is reasonably determined by the Company's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>shall be a converted amount per common share; hereinafter the same in this paragraph 8) is less than the Class D Conversion Price before adjustment, the Company shall adjust the Class D Conversion Price based on the formula below. However, if the Allotted Shares can be converted into the Company’s common shares, “Number of Allotted Shares” in the formula stated in this item (v) means the number of common shares underlying the Allotted Shares.</u></p> $\frac{\text{Class D Conversion Price after adjustment}}{\text{Class D Conversion Price before adjustment}} = \frac{\text{Class D Conversion Price before adjustment} \times \frac{\text{Total Number of Shares}}{\text{Number of shares to be newly issued} + \text{Number of shares to be newly issued}}}{\text{Class D Conversion Price before adjustment} + \frac{\text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Class D Conversion Price before adjustment}}}$ <p><u>The Class D Conversion Price after adjustment shall be applied on and after the effective date of such merger, share exchange, or company split.</u></p>
(Newly established)	<p><u>(Class E Preferred Shares)</u>  <u>Article 11-6</u>  <u>The details of the Class E Preferred Shares issued by the Company shall be provided in the following paragraph through paragraph 8.</u></p>
(Newly established)	<p><u>2. Dividend of surplus</u></p> <p><u>(1) Dividend of surplus</u>  <u>The Company shall pay dividends per Class E Preferred Share calculated by multiplying dividends per common share by the Class E Conversion Rate (defined below) on the dividend payment date to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class B Preferred</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>Shareholders and the Registered Pledges of Class B Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date; and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date. If a fraction that is less than JPY 1 occurs as a result of multiplying dividends per Class E Preferred Share by the number of shares over which the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares have rights, such fraction will be omitted.</u></p> <p><u>“Class E Conversion Rate” means the number (calculated to the third decimal place, and the digit in the third decimal place shall be omitted) obtained by dividing the Class E Investment Amount (defined in item (2); hereinafter the same) at that time by the Class E Conversion Price (defined in paragraph 8, item (3); hereinafter the same).</u></p> <p><u>(2) The Class E Investment Amount</u></p> <p><u>1) The initial amount shall be JPY 10,000,000.</u></p> <p><u>2) If the Company implements the Share Split, etc. of the Class E Preferred Shares, the Class E Investment Amount shall be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, “Number of issued and outstanding Class E Preferred Shares before the Share Split, etc.” and “Number of issued and outstanding Class E Preferred Shares after the Share Split, etc.” in the following formula shall be to be read as “Number of issued and outstanding Class E Preferred Shares before the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by the Company at that time)” and “Number of issued and outstanding Class E Preferred Shares after the allotment of shares without contribution</u></p>



Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="804 230 1331 327"><u>(excluding, however, the Class E Preferred Shares held by the Company at that time),” respectively.</u></p> $  \frac{\text{Class E Investment Amount after adjustment}}{\text{Class E Investment Amount before adjustment}} = \frac{\text{Class E Investment Amount before adjustment}}{\text{Class E Investment Amount after adjustment}} \times \frac{\text{Number of issued and outstanding Class E Preferred Shares before the Share Split, etc.}}{\text{Number of issued and outstanding Class E Preferred Shares after the Share Split, etc.}}  $ <p data-bbox="804 562 1394 898"><u>The Class E Investment Amount after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p data-bbox="804 931 1394 1066">3) <u>If other events similar to 2) above occur, the Class E Investment Amount shall be properly adjusted by resolutions of the Company’s board of directors meeting.</u></p> <p data-bbox="804 1099 1214 1133">3. <u>Distribution of residual assets</u></p> <p data-bbox="804 1167 1394 2031">(1) <u>Distribution of residual assets</u>  <u>When the Company distributes its residual assets at the dissolution of the Company, the Company shall pay amounts per Class E Preferred Share equivalent to the Class E Investment Amount to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, <i>pari passu</i> with the Class A Preferred Shareholders, and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares, before the Common Shareholders and the Registered Pledges of Common Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class E Preferred Share by the number of shares over which the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares have rights, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>residual assets of a certain order of priority, residual assets shall be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.</u></p> <p><u>(2) Participation clause</u>  <u>If residual assets remain even after the distribution of residual assets to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares pursuant to item (1), the Company shall distribute residual assets per Class E Preferred Share calculated by multiplying the amount of residual assets per common share by the Class E Conversion Rate at the time of the distribution of residual assets to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares <i>pari passu</i> with the Common Shareholders and the Registered Pledges of Common Shares, the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares, and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares.</u></p>
(Newly established)	<p><u>4. Transfer restriction</u></p> <p><u>Acquisition of Class E Preferred Shares through their transfer requires the approval of the Company's board of directors meeting.</u></p>
(Newly established)	<p><u>5. Voting rights</u></p> <p><u>The Class E Preferred Shareholders have no voting rights at general meetings of shareholders, unless otherwise provided for by law.</u></p>
(Newly established)	<p><u>6. Voting rights at the general meeting of class shareholders</u></p> <p><u>Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class E Preferred Shareholders is required in order for the Company to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.</u></p>
(Newly established)	<p><u>7. Cash-consideration call option (mandatory redemption)</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>Notwithstanding the intent of the Class E Preferred Shareholders and the Registered Pledgees of Class E Preferred Shares, in exchange for delivering the Class E Investment Amount to the Class E Preferred Shareholders and the Registered Pledgees of Class E Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by the Company's board of directors meeting (the "Mandatory Redemption Date" in this paragraph 7), the Company may acquire the Class E Preferred Shares in whole or in part anytime, within the extent permitted by law, if the Mandatory Redemption Date has arrived. If there is more than one Class E Preferred Shareholder at the time of acquiring part of the Class E Preferred Shares, the Class E Preferred Shares to be acquired by the Company shall be determined by its board of directors meeting on a pro rata basis.</u></p> <p><u>8. Common share-consideration put option (right to claim redemption)</u></p> <p><u>(1) Details of the conversion claim</u>  <u>On or after the first anniversary of the payment date (meaning the date on which the Class E Preferred Shares are issued for the first time; hereinafter the same in this paragraph 8), within the extent permitted by law, the Class E Preferred Shareholders and the Registered Pledgees of Class E Preferred Shares may claim that the Company deliver common shares per Class E Preferred Share the number of which is calculated based on the formula stated in item (2), in exchange for the Company acquiring the Class E Preferred Shares (the "Conversion Claim" in this paragraph 8).</u></p> <p><u>(2) Formula for number of common shares to be delivered based on the Conversion Claim</u>  <u>The number of common shares to be delivered in exchange for acquiring one Class E Preferred Share shall be calculated based on the following formula:</u></p> <p><u>(Formula)</u>  <u>Number of common shares to be delivered in exchange for acquiring one Class E Preferred Share</u>  <u>= Class E Investment Amount ÷ Class E Conversion Price</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, such fraction shall be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.</u></p> <p><u>(3) Class E Conversion Price</u>  <u>The Class E Conversion Price shall be an amount stated below.</u></p> <p><u>1) The initial price shall be JPY 24.</u></p> <p><u>2) Notwithstanding 1) above, if any of the following (i) through (v) occurs at the Company, the Company shall adjust the Class E Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company shall calculate such fraction to the third decimal place, and omit the digit in the third decimal place.</u></p> <p><u>(i) If the Company implements the Share Split, etc. of common shares, the Company shall adjust the Class E Conversion Price based on the formula below. In the case of an allotment of shares without contribution, “Number of issued and outstanding common shares before the Share Split, etc.” and “Number of issued and outstanding common shares after the Share Split, etc.” in the following formula shall be to be read as “Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)” and “Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by the Company at that time),” respectively.</u></p> $\frac{\text{Class E Conversion Price after adjustment}}{\text{Class E Conversion Price before adjustment}} = \frac{\text{Number of issued and outstanding common shares before the Share Split, etc.}}{\text{Number of issued and outstanding common shares after the Share Split, etc.}}$ <p><u>The Class E Conversion Price after adjustment shall be applied, in the case of a share split, on and after the day following the record date of such share split, and in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).</u></p> <p><u>(ii) If the Company issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (ii)) the price of which is less than the Class E Conversion Price before the adjustment (excluding, however, the cases where (a) the Company implements an allotment of shares without contribution, (b) the Company issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph 8)), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or the Company, or subject to conditions that certain events occur; hereinafter the same in this paragraph 8), (c) the Company delivers its common shares as a result of a merger, share exchange, or company split, or (d) the Company sells its treasury shares pursuant to Article 194 of the Companies Act), the Company shall adjust the Class E Conversion Price based on the formula below. In this paragraph 8, the “Total Number of Shares” means the number obtained by adding (x) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by the Company) as of the day before the date on which the Class E Conversion Price after the adjustment is applied to (y) the number of issued and outstanding common shares as of the same day (excluding those held by the Company). Also, in the case of a disposition of treasury shares, “Issue price” and “Number of shares to be newly issued” in the formula stated in this item (ii) are to be read as “Disposition price” and “Number of treasury shares to be disposed,” respectively.</u></p> $  \begin{array}{r}  \text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}  \end{array}  $

Current Articles of Incorporation	Proposed Amendments
	<p><u>The Class E Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period). If a record date for the allotment to shareholders is set, the Class E Conversion Price after adjustment shall be applied on and after the day following such record date.</u></p> <p><u>(iii) If the Company issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class E Conversion Price before adjustment, the Company shall adjust the Class E Conversion Price based on the formula below. However, “Number of shares to be newly issued” in the formula stated in this item (iii) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (iii) is applied.</u></p> $  \begin{array}{r}  \text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \\  \text{Price after adjustment} = \frac{\text{Price before adjustment} \times \text{Shares} + \text{Number of shares to be newly issued} \times \text{Class E Conversion Price before adjustment}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}  \end{array}  $ <p><u>The Class E Conversion Price after adjustment shall be applied on and after the day following the payment date (if the payment period is set, the end of such period), and in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p> <p><u>(iv) If the Company issues stock acquisition rights for which its common shares are the underlying shares (including the case of an</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="802 230 1394 797"><u>allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the “Price of Consideration per Share” in this item (iv)) is less than the Class E Conversion Price before adjustment, the Company shall adjust the Class E Conversion Price based on the formula below. However, “Number of shares to be newly issued” in the formula stated in this item (iv) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (iv) is applied.</u></p> $  \begin{array}{r}  \text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}  \end{array}  $ <p data-bbox="802 1122 1394 1585"><u>The Class E Conversion Price after adjustment shall be applied on and after the day following the day of the allotment, and in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment shall be applied on and after the day following such day of allotment to shareholders.</u></p> <p data-bbox="802 1619 1394 2020"><u>(v) If any of (a) a merger in which the Company becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which the Company becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which the Company becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of the Company to be allotted to shareholders of a consolidated company through a merger or per</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Consolidation of shares or share split) Article 11-<u>5</u> If the Company implements a share split or consolidation of shares, the Company will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares <u>and</u> the Class C Preferred Shares, at the same time and proportion for each class.</p> <p>2. If the Company grants to shareholders entitlement to the allotment of offered shares, the Company will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the</p>	<p><u>share of the Company to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of the Company to be allotted to a split company or shareholders of a split company through a company split (the “Allotted Shares” in this paragraph 8) (such value is reasonably determined by the Company’s board of directors meeting. If such Allotted Shares can be converted into its common shares, such value shall be a converted amount per common share; hereinafter the same in this paragraph 8) is less than the Class E Conversion Price before adjustment, the Company shall adjust the Class E Conversion Price based on the formula below. However, if the Allotted Shares can be converted into the Company’s common shares, “Number of Allotted Shares” in the formula stated in this item (v) means the number of common shares underlying the Allotted Shares.</u></p> $\frac{\text{Class E Conversion Price after adjustment}}{\text{Class E Conversion Price before adjustment}} = \frac{\text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$ <p><u>The Class E Conversion Price after adjustment shall be applied on and after the effective date of such merger, share exchange, or company split.</u></p> <p>(Consolidation of shares or share split) Article 11-<u>7</u> If the Company implements a share split or consolidation of shares, the Company will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares, the Class C Preferred Shares, <u>the Class D Preferred Shares, and the Class E Preferred Shares</u>, at the same time and proportion for each class.</p> <p>2. If the Company grants to shareholders entitlement to the allotment of offered shares, the Company will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the</p>



Current Articles of Incorporation	Proposed Amendments
<p>allotment of the Class B Preferred Shares, and to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, at the same time and proportion, respectively.</p>	<p>allotment of the Class B Preferred Shares, to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, <u>to the Class D Preferred Shareholders entitlement to the allotment of the Class D Preferred Shares, and to the Class E Preferred Shareholders entitlement to the allotment of the Class E Preferred Shares</u>, at the same time and proportion, respectively.</p>
<p>3. If the Company implements an allotment of shares without contribution, the Company will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, and the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, at the same time and proportion, respectively.</p>	<p>3. If the Company implements an allotment of shares without contribution, the Company will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, <u>the Class D Preferred Shares to the Class D Preferred Shareholders without contribution, and the Class E Preferred Shares to the Class E Preferred Shareholders without contribution</u>, at the same time and proportion, respectively.</p>
<p>4. If the Company grants to shareholders entitlement to the allotment of offered stock acquisition rights, the Company will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, entitlement to the Class A Preferred Shareholders to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, entitlement to the Class B Preferred Shareholders to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, and entitlement to the Class C Preferred Shareholders to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph 4), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.</p>	<p>4. If the Company grants to shareholders entitlement to the allotment of offered stock acquisition rights, the Company will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, entitlement to the Class A Preferred Shareholders to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, entitlement to the Class B Preferred Shareholders to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, entitlement to the Class C Preferred Shareholders to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, <u>entitlement to the Class D Preferred Shareholders to the allotment of stock acquisition rights for which the Class D Preferred Shares are the underlying shares, and entitlement to the Class E Preferred Shareholders to the allotment of stock acquisition rights for which the Class E Preferred Shares are the underlying shares</u>, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph 4), respectively, under the</p>

Current Articles of Incorporation	Proposed Amendments
<p>5. If the Company implements allotment of stock acquisition rights without contribution, the Company will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, and stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, at the same time and proportion, respectively.</p>	<p>conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.</p> <p>5. If the Company implements allotment of stock acquisition rights without contribution, the Company will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, <u>stock acquisition rights for which the Class D Preferred Shares are the underlying shares to the Class D Preferred Shareholders, and stock acquisition rights for which the Class E Preferred Shares are the underlying shares to the Class E Preferred Shareholders,</u> at the same time and proportion, respectively.</p>

## **Proposal No. 4: Issuance of Class D Preferred Shares and Stock Acquisition Rights through Third-party Allotment**

Pursuant to Articles 199, 236 and 238 of the Companies Act, the Company proposes to issue the following due to the reasons and under the terms stated in 1. and 2. below, respectively: (i) Japan Display Inc. class D preferred shares (the “Class D Preferred Shares”) to Ichigo Trust (“Ichigo Trust”) through third-party allotment (the “Third-party Allotment of Class D Preferred Shares”); and (ii) Japan Display Inc. 12th series stock acquisition rights (the “Stock Acquisition Rights”) to Ichigo Trust through third-party allotment (the “Third-party Allotment of Stock Acquisition Rights”); together with the Third-party Allotment of Class D Preferred Shares, the “Third-party Allotment”).

With respect to the number of the Company’s common shares (2,408,329,640 shares) (the number of voting rights is 24,083,296) to be delivered if all of the Class D Preferred Shares to be allotted to Ichigo Trust upon the Third-party Allotment are converted into the Company’s common shares at the conversion price of JPY 50, and all of Japan Display Inc. class E preferred shares to be issued upon the exercise of the Stock Acquisition Rights (the “Class E Preferred Shares”) are converted into the Company’s common shares at the conversion price of JPY 24, (i) the dilution ratio is equivalent to 94.88% (the dilution ratio based on the voting rights is equivalent to 158.64%), the denominator of which is the total number of issued and outstanding shares of the Company as of June 30, 2020 (2,538,165,800 shares (846,165,800 common shares, 1,020,000,000 Class A Preferred Shares, and 672,000,000 Class B Preferred Shares)) (the number of voting rights is 15,181,334 (8,461,334 pertaining to common shares, and 6,720,000 pertaining to the Class B Preferred Shares)), and (ii) the dilution ratio is equivalent to 284.62% (the dilution ratio based on the voting rights is equivalent to 284.63%), the denominator of which is the number of issued and outstanding shares of the Company (846,165,800 shares) (the number of voting rights is 8,461,334) obtained by deducting the number of Class A Preferred Shares and Class B Preferred Shares (the number of voting rights pertaining to the Class B Preferred Shares) issued on March 26, 2020 from the total number of issued and outstanding shares of the Company as of June 30, 2020 (the number of voting rights). Since the respective dilution ratios through the Third-party Allotment will be 25% or more, the Company also proposes to the Meeting that the shareholders approve the Third-party Allotment, pursuant to Article 432 of the Securities Listing Regulations prescribed by the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”).

The proposed Third-party Allotment will take effect on condition that: (i) Proposal Nos. 3 and 4 be approved as originally proposed at the Meeting; and (ii) the proposal for the partial amendment of the Articles of Incorporation be approved as originally proposed at the Respective General Meetings of Class Shareholders.

### **1. Reasons for Proposing the Third-party Allotment**

#### **(1) Background to the Third-party Allotment**

In the business environment surrounding the Company being expected to continue to be severe, it was difficult for the Company to thoroughly restore its impaired net assets only by appropriating business profits to be obtained from its core business operations. Accordingly, large-scale capital funding was promptly required in order for the Company to secure appropriate net asset amount level as a listed company. Further, while the Company was securing financing with the assistance of its customers and business partners, if the asset deficiency was not eliminated by the end of March 2020, the customers and business partners would exert further strong pressure on the Company to normalize the trading terms with them, which would result in giving rise to a material concern over the Company’s financing. Amid these circumstances, the Company concluded a capital alliance agreement with Ichigo Trust on January 31, 2020, under which the Class B Preferred Shares and the 11th Series Stock Acquisition Rights would be issued to Ichigo Trust (the “Capital Alliance Agreement”). Subsequently on March 26, 2020, the Company received a payment from Ichigo Trust for the Class B Preferred Shares under the Capital Alliance Agreement and issued to Ichigo Trust the Class B Preferred Shares and the 11th Series Stock

Acquisition Rights. Of the amount of JPY 49.93 billion raised through the issuance (estimated net proceeds), JPY 24.93 billion was set to be disbursed during the period from April to September 2020 but was already disbursed by the end of May 2020 as ordinary working capital that had increased as the time lag widened between receipt of sales proceeds and payment for procured components and materials due to the spread of the COVID-19 infection. The remaining JPY 25 billion is set to be disbursed during the period from April 2020 to March 2022, but approximately JPY 3 billion has already been disbursed as of July 21, 2020 as equipment purchase funds to manufacture new products, such as organic EL (OLED) displays. The balance of the funds raised is maintained in a bank account. The use of the balance of the funds raised remains unchanged from the original plan, and the Company intends to disburse all of those funds by March 2022 for capital investments in growth businesses, as growth investments indispensable for the Company to maintain technical advantage in the technology sector where technical innovations are intense and to sustainably increase its corporate value.

On the other hand, the business environment surrounding the Company, which is affected by the supply chain in China and personal consumption, has worsened due to the spread of the COVID-19 infection. This may require additional working capital of approximately JPY 5 billion from the second quarter of the fiscal year ending March 2021, in addition to the amount of JPY 49.93 billion expected to be raised through the Class B Preferred Shares as capital investment funds and working capital required as of January 31, 2020. As a result, the Company has requested that Ichigo Trust consider fund raising in advance to prepare to secure the additional working capital. In response, Ichigo Trust expressed a concern that it would be difficult to exercise the 11th Series Stock Acquisition Rights, the underlying shares of which are the Class C Preferred Shares whose conversion price is JPY 50 for the put options, the consideration for which is the Company's common shares, in light of the duty of due care of a prudent manager owed to its investors. The reasons were as follows: (i) the market price of the Company's common shares significantly dropped due to the plunge in the global stock market brought about by the increasing wariness over the global spread of the COVID-19 infection, resulting in the closing price on the First Section of Tokyo Stock Exchange recording JPY 48 on March 12, 2020, a drop by approximately 31% from the closing price of JPY 70 on January 31, 2020; (ii) while one factor behind the stock price drop was that Ichigo Trust anticipated that releasing the results of an investigation by the third-party committee that it had commissioned to investigate whether there were facts related to the possibility of improper accounting treatment in the Company's previous fiscal year financial statements (as the investigation was ongoing, the results remained unreleased as of January 31, 2020 when the conversion price was determined) might result in a stock price drop, it was entirely impossible at that time to predict the unprecedented spread of the COVID-19 infection that would seriously impact the market price, causing significant changes in the circumstances underlying the conversion price decision and other marketability of the 11th Series Stock Acquisition Rights, and if that market environment continues and the stock price level remains below the conversion price for the put options (that are attached to the Class C Preferred Shares and the consideration for which is the Company's common shares), it would be economically unreasonable to exercise the 11th Series Stock Acquisition Rights, the underlying shares of which are the Class C Preferred Shares. Based on the foregoing, in order to achieve the aforementioned additional fundraising requested by the Company, Ichigo Trust expressed the possibility of waiving the 11th Series Stock Acquisition Rights and then subscribing for the Class D Preferred Shares under terms equivalent to those for the Class C Preferred Shares (total amount raised: approximately JPY 5 billion), subject to also subscribing for the Stock Acquisition Rights (the total amount raised upon exercise: JPY 55.4 billion at the maximum) the underlying shares of which are the Class E Preferred Shares under terms equivalent to those for the Class C Preferred Shares underlying the 11th Series Stock Acquisition Rights. Accordingly, in order to increase the possibility of securing additional working capital, the Company entered into a basic agreement regarding the additional fund procurement (the "Agreement") with Ichigo Trust on March 13, 2020 for the purpose of considering issuing additional financial instruments for Ichigo Trust.

The Company has since then continued to monitor the changes in the business environment as COVID-19 further spread and its impact on the real economy gradually materialized. Due to the global spread of the infection, the supply chain in regions other than China has also been affected by governmental restrictions on production activities, and there has been a decrease in customer demand in the

smartphone display market, which is the Company's core business, and the automotive display market, which is a growing business. This has resulted in a greater drop in the Company's business results and balance of cash and deposits on hand than anticipated. In addition, although the spread appears to be settling down in some regions recently, the risk of a rebound in infections remains in those regions. As there is still no prospect of the spread of infection settling down globally, it is anticipated that the quantity of orders to be received by the Company will decrease further in the future. In these circumstances, the Company continues to experience a situation whereby the impact on its business and finance cannot be forecast correctly. If the influence of COVID-19 continues for an extended period and adversely affect the quantity of orders to be received by the Company, negotiations with its business partners, and its business activities, and thereby creates a need for additional funds, then the Company cannot deny the possibility that the balance of cash and deposits on hand may fall below the standard that is considered to be the minimum necessary to maintain its business value. To prepare for such an eventuality, the Company is considering taking cash-flow improvement measures by liquidating its accounts receivable and so on. However, it is anticipated that these measures may not be fully implemented and the necessary funds may not be sufficiently procured. Therefore, the Company has concluded that it is necessary to secure JPY 5 billion of additional working capital in advance through the Third-party Allotment of Class D Preferred Shares as a more stable financing measure. Accordingly, the Company has commenced specific discussions and negotiations with Ichigo Trust under the Agreement, while considering debt fundraising, including loans from financial institutions. As a result, the Company agreed with Ichigo Trust on the terms for the additional issuance of the Class D Preferred Shares and the Stock Acquisition Rights and decided to enter into a capital alliance agreement dated July 21, 2020 regarding the additional fund procurement with Ichigo Trust (the "Additional Capital Alliance Agreement") and to implement the Third-party Allotment to Ichigo Trust. The Company held repeated discussions and negotiations with Ichigo Trust with the aim of minimizing dilution through the Third-party Allotment. As a result, the conversion price for the Class E Preferred Shares underlying the Stock Acquisition Rights was set at JPY 24 in the Additional Capital Alliance Agreement, which is higher than the conversion price of JPY 20 agreed in the Agreement. As for debt fundraising, the Company requested loans from financial institutions but no financial institutions accepted the request.

While the Company will treat the conversion price concerning the Third-party Allotment as an amount especially favorable to Ichigo Trust, it believes that it will be able to raise capital funds by implementing the Third-party Allotment of Class D Preferred Shares to Ichigo Trust and issuing Class E Preferred Shares through the exercise of the Stock Acquisition Rights, thereby securing the additional working capital required and improving its financial structure. The Company expects that this will offer the Company a better possibility of flexibly responding to future funding needs (including increasing the required working capital beyond the anticipated level as a result of the prolonged spread of the COVID-19 infection and further economic slowdown leading to an aggravated adverse effect on the quantity of orders to be received by the Company, negotiations with its business partners, and its business activities). Specifically, this will be achieved by the following methods: (i) maintaining its business value by providing for additional working capital that may be required from August 2020; and (ii) expanding its fundraising capacity by increasing fundraising options by further improving its financial structure. Also, the enhancement of investments by Ichigo Trust in the Company is expected to further solidify its commitment to support the Company. Accordingly, the Company is confident that this will contribute to increasing its medium- to long-term corporate value, as well as work in the interests of the Company's shareholders other than Ichigo Trust.

Before implementing the Third-party Allotment, the Company announced on March 13, 2020 the fact that it was considering the Third-party Allotment, and an overview of the conditions of issuance thereunder. Then, on April 13, 2020, the Company released the results of an investigation by the third-party committee that it had commissioned to investigate whether there were facts related to the possibility of improper accounting treatment in its previous fiscal year financial statements. Although a reasonable period from that date was procured during which investors other than Ichigo Trust were permitted to make proposals to contribute capital funds, no investors other than Ichigo Trust have expressed their intention to make alternative investments. Accordingly, the Company considers that it has conducted a sufficient market check on whether there are alternative investors.

## (2) Reasons for selecting the Third-party Allotment

The Company had examined and compared various means of fundraising until it decided to implement the Third-party Allotment. During the examination and comparison, considering the Company's demand for funds described in “(1) Background to the Third-party Allotment” above, the Company thought that the most important factor was that there was a solid prospect for procuring the necessary amount of money within the Company’s desired time frame.

For example, the Company might not achieve its objective through issuance of common shares by a public offering, depending on the market environment. In addition, due to the considerable time period required to prepare to issue common shares by a public offering, the Company has determined that it is not a method that would further the Company’s aim of procuring funds early. With respect to a rights offering and allotment to shareholders, share options are not necessarily exercised depending on allotted shareholders’ decisions based on the stock price trends, and it is possible that not all shareholders will respond to the allotment. Therefore, the final fundraising amount is uncertain, and the Company has determined that a rights offering and allotment to shareholders are not appropriate choices at the current time for the Company, which needs to certainly raise the necessary funds. In addition, while issuance of common shares through third-party allotment matches the Company’s aim of procuring funds early, it also causes immediate dilution of existing shares and is undesirable from the perspective of protecting existing shareholders’ interests. Therefore, the Company has determined that it is not an appropriate choice for the Company at the current time.

On the other hand, issuance of the Class D Preferred Shares and the Stock Acquisition Rights through third-party allotment provides the Company with the highest level of certainty in procuring the required amount of money. Further, the said issuance does not immediately cause a dilution of existing shares, and contributes to the Company’s aim of procuring funds early. Therefore, the Company has finally determined that it is the best choice for the Company at the current time to receive investments in the amount up to JPY 60.4 billion through the Third-party Allotment.

## (3) Reasons why the Company has determined that the amount to be paid in is reasonable

### (i) Class D Preferred Shares

The Company requested that Akasaka International Tax and Co. (a third-party financial advisor, “AIA”) provide a price valuation of the Class D Preferred Shares in consideration of the terms and conditions of the Class D Preferred Shares; subsequently, it obtained from AIA the class share valuation report for the Class D Preferred Shares dated July 21, 2020 (the “Class D Preferred Share Valuation Report”). AIA (which is a third-party financial advisor) is not a related party of the Company or Ichigo Trust (the expected allottee) and has no material interest in connection with the Third-party Allotment.

According to the Class D Preferred Share Valuation Report, based on certain premises (the conversion price of the Class D Preferred Shares, the period until Ichigo Trust exercises its common share-consideration put options, share value per common share of the Company, volatility of shares, dividend yield, risk free rate, discount rate, etc.), AIA calculated that the fair value of the Class D Preferred Shares ranges from JPY 74.7 to JPY 102.8 per JPY 100 as the Class D Preferred Shares, using the binomial model (which is a general model for the valuation of share options). Also, AIA calculated that the fair value of the Class D Preferred Shares to be allotted to Ichigo Trust ranges from JPY 3.74 billion to JPY 5.14 billion per JPY 5 billion as the amount to be paid for the Class D Preferred Shares.

Regarding the per-share value of common shares of the Company among the premises for the calculation in the Class D Preferred Share Valuation Report and the Stock Acquisition Right Valuation Report (as defined in “(ii) Stock Acquisition Rights” below), a share value from JPY 22 to JPY 56 was adopted, calculated using discounted cash flow analysis (the “DCF Analysis”). Under the DCF Analysis, the enterprise value and per-share value are evaluated by discounting the free cash flow that is expected to

be generated by an entity at a certain discount rate responding to business risks to the present value, considering premises which can be deemed reasonable, such as earnings forecasts and investment plans based on a business plan. This methodology is considered one of the appropriate measures to evaluate share value on the assumption that the entity is a going concern.

(ii) Stock Acquisition Rights

The Company requested that AIA (a third-party financial advisor) provide a price valuation of the Stock Acquisition Rights in consideration of the terms and conditions of the Stock Acquisition Rights and the Class E Preferred Shares underlying the Stock Acquisition Rights; subsequently, it obtained from AIA the valuation report for the Stock Acquisition Rights dated July 21, 2020 (the “Stock Acquisition Right Valuation Report”).

According to the Stock Acquisition Right Valuation Report, based on certain premises (the conversion price of the Class E Preferred Shares, the period until Ichigo Trust exercises its common share-consideration put options attached to the Class E Preferred Shares, share value per common share of the Company, volatility of shares, dividend yield, risk free rate, discount rate, etc.), AIA calculated that the fair value of the Stock Acquisition Rights ranges from JPY 0 to JPY 25.8 per JPY 100, which is an amount presumed in the calculation to constitute one unit of the Class E Preferred Shares, using the binomial model (which is a general model for the valuation of share options). Also, AIA calculated that the fair value of the Class E Preferred Shares underlying the Stock Acquisition Rights to be allotted to Ichigo Trust ranges from JPY 0 to JPY 14.28 billion per JPY 55.4 billion as the expected amount to be paid for the Class E Preferred Shares.

(iii) Class D Preferred Shares and Stock Acquisition Rights

The Third-party Allotment of Class D Preferred Shares and the Third-party Allotment of the Stock Acquisition Rights to Ichigo Trust are scheduled to be approved as one proposal at the Meeting and to be implemented for one expected allottee at one time. Accordingly, the Company requested that AIA (a third-party financial advisor) value the issuance of the Class D Preferred Shares and the Stock Acquisition Rights to Ichigo Trust as an integrated transaction, and obtained from AIA valuation results in the Stock Acquisition Right Valuation Report. According to the Stock Acquisition Right Valuation Report, based on the valuation results of “(i) Class D Preferred Shares” and “(ii) Stock Acquisition Rights” above, AIA calculated that the fair value of the Class D Preferred Shares and the Stock Acquisition Rights to be allotted to Ichigo Trust ranges from JPY 3.74 billion to JPY 19.42 billion, while the total amount to be paid for the Class D Preferred Shares and the Stock Acquisition Rights is JPY 5 billion.

The Company obtained a fairness opinion dated July 21, 2020, from AIA that the total amount paid for the Class D Preferred Shares and the Stock Acquisition Rights is reasonable to the shareholders of the Company, excluding the Company and Ichigo Trust, from a financial perspective. Furthermore, the Company obtained a fairness opinion dated July 21, 2020, from AIA, that the amount paid only for the Class D Preferred Shares is also reasonable to the shareholders of the Company, excluding the Company and Ichigo Trust, from a financial perspective.

In addition to the above, by comprehensively considering matters such as the business environment and financial conditions surrounding the Company, as well as the need for additional working capital to ensure that the Company has sufficient spare capacity on its consolidated cash position to enable a stable business operation, the Company has decided the terms and conditions of, and the amount paid for, the Class D Preferred Shares and the Stock Acquisition Rights; accordingly, the Company has determined that the terms and conditions of the Class D Preferred Shares and the Stock Acquisition Rights are fair.

However, the calculation of the fair value of the Class D Preferred Shares and the Stock Acquisition Rights, which have no objective market price, is extremely difficult and complicated; therefore, different views on its valuation are possible. Also, the conversion price of the Class E Preferred Shares underlying

the Stock Acquisition Rights is a significant discount from the Company's latest market share price. For these reasons, the Company has determined to issue the Class D Preferred Shares and the Stock Acquisition Rights on condition that the Company obtains the approval for the issuance through an extraordinary resolution at the Meeting, as the Company has deemed that the conversion price falls under an amount especially favorable for Ichigo Trust (the expected allottee).

- (4) Basis for the Company's determination that the number of shares and stock acquisition rights to be issued and the scale of dilution are reasonable

Because the Class D Preferred Shares to be allotted through the Third-party Allotment have no voting rights, the issuance of the Class D Preferred Shares will not affect the existing shareholders' interests by causing dilution of their existing shares. However, put options exercisable at the conversion price of JPY 50, the consideration for which is the Company's common shares, are attached to the Class D Preferred Shares, and put options exercisable at the conversion price of JPY 24, the consideration for which is the Company's common shares, are attached to the Class E Preferred Shares underlying the Stock Acquisition Rights. Accordingly, exercise of these put options is likely to affect the existing shareholders' interests by causing dilution of their existing shares.

With respect to the number of the Company's common shares (2,408,329,640 shares) (the number of voting rights is 24,083,296) to be delivered if all of the Class D Preferred Shares are converted into the Company's common shares at the conversion price of JPY 50, and all of the Class E Preferred Shares to be issued upon the exercise of the Stock Acquisition Rights are converted into the Company's common shares at the conversion price of JPY 24, (i) the dilution ratio is equivalent to 94.88% (the dilution ratio based on the voting rights is equivalent to 158.64%), the denominator of which is the total number of issued and outstanding shares of the Company as of June 30, 2020 (2,538,165,800 shares (846,165,800 common shares, 1,020,000,000 Class A Preferred Shares, and 672,000,000 Class B Preferred Shares)) (the number of voting rights is 15,181,334 (8,461,334 pertaining to common shares, and 6,720,000 pertaining to the Class B Preferred Shares)), and (ii) the dilution ratio is equivalent to 284.62% (the dilution ratio based on the voting rights is equivalent to 284.63%), the denominator of which is the number of issued and outstanding shares of the Company (846,165,800 shares) (the number of voting rights is 8,461,334) obtained by deducting the number of Class A Preferred Shares and Class B Preferred Shares (the number of voting rights pertaining to the Class B Preferred Shares) issued on March 26, 2020 from the total number of issued and outstanding shares of the Company as of June 30, 2020 (the number of voting rights).

In addition, the Company issued to Ichigo Trust the Class B Preferred Shares and the 11th Series Stock Acquisition Rights on March 26, 2020 (in the Additional Capital Alliance Agreement, the Company has agreed that prior to the Third-party Allotment, it will waive all of the 11th Series Stock Acquisition Rights the underlying shares of which are the Class C Preferred Shares held by Ichigo Trust at the time), and issued to INCJ the Class A Preferred Shares in the total amount of JPY 102 billion, the conversion price of which is the market price (the lowest amount of which is JPY 225) per common share, on the same day. If all of the Class A Preferred Shares are converted into the Company's common shares at the conversion price of JPY 225 by INCJ, the largest number of the Company's common shares to be delivered to INCJ will be 453,333,333 shares (the number of voting rights is 4,533,333). If all of the Class B Preferred Shares are converted into the Company's common shares at the conversion price of JPY 50 by Ichigo Trust, the number of the Company's common shares to be delivered to Ichigo Trust will be 1,008,000,000 shares (the number of voting rights is 10,080,000). If all of the Class D Preferred Shares are converted into the Company's common shares at the conversion price of JPY 50, and all of the Class E Preferred Shares to be issued upon the exercise of the Stock Acquisition Rights are converted into the Company's common shares at the conversion price of JPY 24, respectively by Ichigo Trust, the number of the Company's common shares to be delivered to Ichigo Trust will be 2,408,329,640 shares (the number of voting rights is 24,083,296). Accordingly, regarding the total number of shares above (3,869,662,973 shares) (the number of voting rights is 38,696,629), the dilution ratio is equivalent to 457.32% (the dilution ratio based on the voting rights is equivalent to 457.33%), the denominator of which is the number of issued and outstanding shares (846,165,800 shares) (the number of voting rights



is 8,461,334) obtained by deducting the number of Class A Preferred Shares and Class B Preferred Shares (the number of voting rights pertaining to the Class B Preferred Shares) issued on March 26, 2020 from the total number of issued and outstanding shares of the Company as of June 30, 2020 (2,538,165,800 shares (846,165,800 common shares, 1,020,000,000 Class A Preferred Shares, and 672,000,000 Class B Preferred Shares)) (the number of voting rights is 15,181,334 (8,461,334 pertaining to common shares, and 6,720,000 pertaining to the Class B Common Shares)).

As stated above, a large-scale dilution will be expected to occur through the Third-party Allotment, the Third-party Allotment of Class B Preferred Shares, and issuance of the Class A Preferred Shares to INCJ (the “Third-party Allotment of Class A Preferred Shares”). Still, the Company has decided that it is reasonable to implement the Third-party Allotment even if it takes into consideration the large-scale dilution that will occur through the Third-party Allotment. This is because of the following reasons: (i) as stated in “(1) Background of the Third-party Allotment” above, as at the time of July 21, 2020, it is necessary to secure additional working capital that may be required in or after August 2020, and although the issuance scale for the Third-party Allotment is large, the Third-party Allotment of Class D Preferred Shares remains within the extent necessary to realize such scale of funding procurement as is deemed by the Company to be indispensable; (ii) the Third-party Allotment was prompted by Ichigo Trust expressing (a) its concern that it is difficult to exercise the 11th Series of Stock Acquisition Rights, the underlying shares of which are the Class C Preferred Shares, whose conversion price of the Company’s common share-consideration put options is JPY 50, and (b) its intention to subscribe for the Class D Preferred Shares on the premise that it will also subscribe for the Stock Acquisition Rights, the underlying shares of which are the Class E Preferred Shares, in response to the Company’s request that Ichigo Trust consider providing funds in the case where the Company needs to secure additional working capital; however, given the Company’s financial situation, market environment, and so on, it is unrealistic for Ichigo Trust to unconditionally agree to the additional provision of funds; accordingly, issuance of the Stock Acquisition Rights will be indispensable for realization of the issuance of the Class D Preferred Shares; (iii) it is deemed that the Third-party Allotment is the most appropriate funding procurement method when it is compared with the other funding procurement methods, because it provides the Company with the highest level of certainty in procuring the required amount of money, and also because it does not immediately cause a dilution of existing shares, and contributes to the Company’s aim of securing equity early; (iv) although the Company applied for a loan from financial institutions, none of them accepted its applications; (v) regarding the Class D Preferred Shares and the Class E Preferred Shares underlying the Stock Acquisition Rights, it is assumed that they will be converted to the Company’s common shares on or after the first anniversary of the payment date (or in the case of the Class E Preferred Shares, the day when the Class E Preferred Shares are initially issued) at the earliest, and in the Additional Capital Alliance Agreement, it has been agreed that the Stock Acquisition Rights will become exercisable gradually quarter by quarter on or after October 1, 2020; and even if all or part of the Stock Acquisition Rights are exercised and the Class E Preferred Shares underlying these Stock Acquisition Rights are delivered to Ichigo Trust, any conversion of the Class E Preferred Shares into the Company’s common shares is prohibited until the lapse of the first anniversary of the payment date (the first issuance date) of these Class E Preferred Shares; therefore, the Third-party Allotment will not immediately cause overall dilutions; in addition, taking into consideration the Class A Preferred Shares already issued to INCJ and the Class B Preferred Shares already issued to Ichigo Trust, there is a difference among (x) the payment date of the Class A Preferred Shares and the Class B Preferred Shares (March 26, 2020), (y) the payment date of the Class D Preferred Shares (August 28, 2020), and (z) the payment date of the Class E Preferred Shares (any date from October 1, 2020 to June 30, 2024 which is the exercise price of the Stock Acquisition Rights), which means the period in which these preferred shares can be converted to common shares will gradually arrive; given these circumstances, considerations have been taken not to allow an excessive dilution to immediately occur; (vi) in fact, even if the Class D Preferred Shares and the Stock Acquisition Rights are issued, the Class D Preferred Shares, and the Class E Preferred Shares underlying the Stock Acquisition Rights have no voting rights; therefore, an immediate dilution of voting rights held by the existing holders of common shares will be suppressed to a certain degree at the time of the issuance of the Class D Preferred Shares and exercise of the Stock Acquisition Rights; (vii) the Company can, at its own discretion, mandatorily redeem each of the preferred shares, including the Class A Preferred Shares and the Class B Preferred

Shares, which means a measure has been adopted whereby if the Company is able to secure a sufficient distributable amount, the Company can limit the possibility of a dilution of voting rights held by the existing shareholders occurring by mandatorily redeeming each of the preferred shares; (viii) in the Additional Capital Alliance Agreement, the Company has agreed that prior to the Third-party Allotment, it will waive all of the 11th Series Stock Acquisition Rights, the underlying shares of which are the Class C Preferred Shares held by Ichigo Trust at that time, and this will result in the increase in voting rights (10,080,000) pertaining to the Company's common shares (1,008,000,000 shares) to be delivered upon exercise of the put options attached to the Class C Preferred Shares underlying the Stock Acquisition Rights ceasing to exist; (ix) the Company implemented the retirement by purchasing Japan Display Inc. 1st series unsecured subordinated convertible bonds with stock acquisition rights (the "1st Series Subordinated Convertible Bonds") held by INCJ in exchange for the Third-party Allotment of Class A Preferred Shares, and this resulted in the possibility of an increase in voting rights (639,386 as of January 31, 2020) concerning the potential shares relating to the 1st Series Subordinated Convertible Bonds (63,938,618 shares as of January 31, 2020) ceasing to exist; (x) the conversion price of JPY 50 of the Company's common share-consideration put options attached to the Class B Preferred Shares and the Class D Preferred Shares, and the conversion price of JPY 24 of the Company's common share-consideration put options attached to the Class E Preferred Shares, were determined based on the Company's severe financial situation, deterioration of the market environment due to effects of the spread of COVID-19 infections, as well as the results of discussions and negotiations between the Company and Ichigo Trust; and these issuance conditions are considered reasonable in light of the results of the calculation shown in the Class D Preferred Share Valuation Report, the Stock Acquisition Right Valuation Report, and the fairness opinion; (xi) in connection with the implementation of the Third-party Allotment, the Company received financial advice from Nomura Securities Co., Ltd., the financial advisor independent from the Company and Ichigo Trust, and legal advice from Nishimura & Asahi, the legal advisor independent from the Company and Ichigo Trust; (xii) the Company announced the fact that it was considering the Third-party Allotment and an overview of the conditions of issuance thereunder on March 13, 2020, and subsequently the Company released the results of an investigation by the third-party committee that it had commissioned to investigate whether there are facts related to the possibility of improper accounting treatment in its previous fiscal year financial statements on April 13, 2020; however, although a reasonable period from that date was procured during which investors other than Ichigo Trust were permitted to make proposals to contribute capital funds, no investors other than Ichigo Trust have expressed their intention to make alternative investments; and accordingly, the Company considers that it has conducted a sufficient market check on whether there are alternative investors; (xiii) Mr. Scott Callon, Chairman and Representative Director of the Company, did not participate in the deliberations or resolution for the Third-party Allotment as he may have been a special stakeholder, due to his concurrently serving as the Chief Executive Officer of Ichigo Asset Management, Ltd. (an investment advisor to Ichigo Asset Management International, Pte. Ltd. that has investment management authority granted by Ichigo Trust under a discretionary investment contract with Ichigo Trust, being equivalent to the Company's controlling shareholder); (xiv) the Company received opinions from Mr. Ryosuke Kuwada, an Outside Director of the Company, and Messrs. Youichi Eto and Toshiaki Kawashima, Outside Auditors of the Company (all of whom are independent officers of the Company), that the Third-party Allotment is not disadvantageous to minority shareholders; (xv) as the partial amendment to the Articles of Incorporation for issuance of the Class D Preferred Shares and the Class E Preferred Shares underlying the Stock Acquisition Rights requires approval by a special resolution at a general meeting of class shareholders where only common shareholders are entitled to attend, the Third-party Allotment is subject to the affirmative votes of shareholders representing at least two-thirds of the voting rights attached to the shares held by shareholders other than Ichigo Trust (i.e., at least the number equivalent to a so-called "majority of minority"); and (xvi) the Third-party Allotment is subject to approval by a special resolution of the Meeting, in addition to other procedures required by laws and regulations having been already implemented.

A resolution for a third-party allotment whose dilution ratio exceeds 300% falls under the delisting criteria unless the Tokyo Stock Exchange considers that it is less likely to infringe the interests of shareholders and investors, as it falls under a case where the Tokyo Stock Exchange considers that the details of shareholders' rights and their exercise are unreasonably restricted (Rule 601, Paragraph 1, Item (17) of

the Securities Listing Regulations, and Rule 601, Paragraph 14, Item (6) of the Enforcement Rules for Securities Listing Regulations). However, for the reasons stated in (i) through (xvi) above, the Company believes that the Third-party Allotment does not fall under the delisting criteria as it falls under a case where it is less likely to infringe the interests of shareholders and investors.

Further, considering the scale of the impact on its existing shareholders, in order to ensure the fairness, transparency, and objectivity of its decision-making process, the Company selected Mr. Ryosuke Kuwada, Director of the Company (who is an Outside Director and is registered with the Tokyo Stock Exchange as an independent director of the Company) and Messrs. Yoichi Eto and Toshiaki Kawashima, Company Auditors of the Company (both of whom are Outside Auditors and are registered with the Tokyo Stock Exchange as independent auditors of the Company), as persons who maintain a certain independence from the Company's management as at the time of July 21, 2020. The Company requested that they provide opinions regarding the Third-party Allotment and received their opinions that the Third-party Allotment is considered necessary and reasonable on July 21, 2020.

Ichigo Trust, the expected allottee under the Third-party Allotment, does not hold majority voting rights in the Company as of June 30, 2020, and therefore, it does not fall within the category of a "controlling shareholder" (Rule 2, (42)-2 of the Securities Listing Regulations, and Rule 3-2 of the Enforcement Rules for Securities Listing Regulations). However, Ichigo Trust holds 672,000,000 Class B Preferred Shares, representing 44.26% of the voting rights attached to the issued and outstanding shares of the Company. In addition, if the Company's common share-consideration put options held by Ichigo Trust attached to the Class B Preferred Shares, and the Class C Preferred Shares underlying the 11th Series Stock Acquisition Rights are exercised, Ichigo Trust will have a majority of the voting rights in the Company that are held by all of its shareholders. As a result, Ichigo Trust will be the Company's parent company and fall under the category of controlling shareholder. Furthermore, Mr. Scott Callon, Chief Executive Officer of Ichigo Asset Management, Ltd. (an investment advisor to Ichigo Asset Management International, Pte. Ltd. that has investment management authority granted by Ichigo Trust under a discretionary investment contract with Ichigo Trust), concurrently serves as the Chairman and Representative Director of the Company. Given those circumstances, the Company executed procedures in accordance with Rule 441-2 of the Securities Listing Regulations, selected Mr. Ryosuke Kuwada, Director of the Company, and Messrs. Yoichi Eto and Toshiaki Kawashima, Company Auditors of the Company, as persons who do not have an interest in Ichigo Trust that is equivalent to the Company's controlling shareholder, and requested that they provide opinions regarding the Third-party Allotment and received their opinions that the Third-party Allotment is not disadvantageous to minority shareholders on July 21, 2020.

Moreover, although the Class D Preferred Shares to be allotted through the Third-party Allotment have no voting rights, put options exercisable at the conversion price of JPY 50, the consideration for which is the Company's common shares, are attached to the Class D Preferred Shares, and the number of voting rights pertaining to the Company's common shares to be delivered if all of the Class D Preferred Shares are converted into the Company's common shares will be 1,000,000. In this case, the ratio to the total number of voting rights of the Company (16,181,334, which is obtained by adding the number of voting rights (1,000,000) to the total number of voting rights of the Company as of June 30, 2020 (15,181,334)) will be 6.18%. Also, although the Class E Preferred Shares underlying the Stock Acquisition Rights to be allotted through the Third-party Allotment of Stock Acquisition Rights are non-voting class shares, put options exercisable at the conversion price of JPY 24, the consideration for which is the Company's common shares, are attached to the Class E Preferred Shares, and the number of voting rights pertaining to the Company's common shares to be delivered if all of the Class D Preferred Shares and the Class E Preferred Shares are converted into the Company's common shares will be 24,083,296. In this case, the ratio to the total number of voting rights of the Company (39,264,630, which is obtained by adding the number of voting rights (24,083,296) to the total number of voting rights of the Company as of June 30, 2020 (15,181,334)) will be 61.34%.

In addition, the Company issued to Ichigo Trust the Class B Preferred Shares and the 11th Series Stock Acquisition Rights on March 26, 2020 (in the Additional Capital Alliance Agreement, the Company has

agreed that prior to the Third-party Allotment, it will waive all of the 11th Series Stock Acquisition Rights, the underlying shares of which are the Class C Preferred Shares held by Ichigo Trust at the time). As put options exercisable at the conversion price of JPY 50, the consideration for which is the Company's common shares, are attached to the Class B Preferred Shares, the number of voting rights pertaining to the Company's common shares to be delivered if all of the Class B Preferred Shares are converted into the Company's common shares will be 10,080,000. Also, the number of voting rights pertaining to the Company's common shares to be delivered if all of the Class D Preferred Shares and the Class E Preferred Shares are converted into the Company's common shares will be 24,083,296. Accordingly, the total of the number of these voting rights will be 34,163,296. In this case, the ratio to the total number of voting rights of the Company (42,624,630, which is obtained by adding the total number of the voting rights above (34,163,296) to the number of voting rights (8,461,334, which is obtained by deducting the number of voting rights pertaining to the Class B Preferred Shares before conversion (6,720,000) from the total number of voting rights of the Company as of June 30, 2020 (15,181,334)) will be 80.15%.

In light of the above, the Company has determined that it is appropriate to treat Ichigo Trust as if it fell under the category of a "Special Subscriber" as set forth in Article 206-2, paragraph (1) and Article 244-2, paragraph (1) of the Companies Act, by considering the possibility of put options being exercised, the consideration for which is the Company's common shares. Then, at the Board of Directors meeting held on July 21, 2020, the four Company Auditors of the Company provided their opinion to the effect that the implementation of the Third-party Allotment is necessary and appropriate. Further, there are no Outside Directors' opinions that are different from what the Company's Board of Directors has determined.

## 2. Offering Terms

### (i) Class D Preferred Shares

(1) Number of new shares to be issued (Number of shares to be offered)	500 Class D Preferred Shares
(2) Amount to be paid in	JPY 10,000,000 per share
(3) Total proceeds	JPY 5,000,000,000
(4) Amounts of capital and capital reserve to be increased	Amount of capital to be increased: JPY 2,500,000,000 (JPY 5,000,000 per share) Amount of capital reserve to be increased: JPY 2,500,000,000 (JPY 5,000,000 per share)
(5) Method of offering	The Class D Preferred Shares will be allotted through third-party allotment to the expected allottee.
(6) Expected allottee	Ichigo Trust
(7) Payment date	August 28, 2020 (Friday)
(8) Other	The above items are subject to, among others, the condition that Proposal Nos. 3 and 4 are approved as proposed at the Meeting, and the proposal regarding partial amendments to the Articles of Incorporation is approved as proposed at the Respective General Meetings of Class Shareholders. Under the conditions of the Class D Preferred Shares, on or after the first anniversary of the payment date of the Class D Preferred Shares, the Class D Preferred Shareholders will be able to convert the Class D Preferred Shares into common shares in the Company by exercising the common share-consideration put options. Under the conditions of the Class D Preferred Shares, any transfer of the Class D Preferred Shares is

	prohibited without approval of the Company's board of directors.
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(Note) For details of the Class D Preferred Shares, please refer to Proposal No. 3.

(ii) Stock Acquisition Rights

(1)	Type and number of shares underlying the stock acquisition rights	5,540 Class E Preferred Shares
(2)	Number of stock acquisition rights	20
(3)	Payment price of stock acquisition rights	JPY 0
(4)	Exercise period	From October 1, 2020 to June 30, 2024 (if the day is not the Company's business day, the business day immediately preceding that day)
(5)	Exercise price	JPY 10,000,000 per share
(6)	Method of offering	The Stock Acquisition Rights will be allotted through third-party allotment to the expected allottee.
(7)	Expected allottee	Ichigo Trust
(8)	Allotment date	August 28, 2020 (Friday)
(9)	Other	<p>The above items are subject to, among others, the condition that Proposal Nos. 3 and 4 are approved as proposed at the Meeting, and the proposal regarding partial amendments to the Articles of Incorporation is approved as proposed at the Respective General Meetings of Class Shareholders.</p> <p>(Stock Acquisition Rights)</p> <p>Under the conditions of the Stock Acquisition Rights, the exercise period of the Stock Acquisition Rights will be from October 1, 2020 to June 30, 2024 (if the day is not a Company's business day, the business day immediately preceding that day). However, in the Additional Capital Alliance Agreement, the Company and Ichigo Trust agreed that the Stock Acquisition Rights will become exercisable gradually quarter by quarter on or after October 1, 2020 as follows:</p> <p>(i) 5 (total amount of the exercise price: JPY 13,850,000,000): from October 1, 2020 to September 30, 2023 (if the day is not a Company's business day, the business day immediately preceding that day; the same applies below);</p> <p>(ii) 5 (total amount of the exercise price: JPY 13,850,000,000): from January 1, 2021 to December 31, 2023;</p> <p>(iii) 5 (total amount of the exercise price: JPY 13,850,000,000): from April 1, 2021 to March 31, 2024; and</p> <p>(iv) 5 (total amount of the exercise price: JPY 13,850,000,000): from July 1, 2021 to June 30, 2024.</p> <p>Under the conditions of the Stock Acquisition Rights, any transfer of the Stock Acquisition Rights is prohibited without approval of the Company's board of directors. Under the Additional Capital Alliance</p>

	<p>Agreement, Ichigo Trust is prohibited from transferring the Stock Acquisition Rights. Under the conditions of the Stock Acquisition Rights, if the Stock Acquisition Rights are transferred to a third party in violation thereof and the Company's board of directors resolves that it is necessary to acquire the Stock Acquisition Rights, the Company may acquire all or part of the remaining Stock Acquisition Rights without consideration.</p> <p>(Class E Preferred Shares)</p> <p>Under the conditions of the Class E Preferred Shares, common share-consideration put options are attached, and the conversion price is JPY 24. Under the conditions of the Class E Preferred Shares, on or after the first anniversary of the payment date (the first issuance date) of the Class E Preferred Shares, the Class E Preferred Shareholders will be able to convert the Class E Preferred Shares into common shares in the Company by exercising common share-consideration put options. However, under the Additional Capital Alliance Agreement, if all or part of the Stock Acquisition Rights are exercised and the Class E Preferred Shares underlying those Stock Acquisition Rights are granted to Ichigo Trust, Ichigo Trust is prohibited from converting them into common shares in the Company until the lapse of the first anniversary of the payment date (the first issuance date) of those Class E Preferred Shares.</p> <p>Under the conditions of the Class E Preferred Shares, any transfer of the Class E Preferred Shares is prohibited without approval of the Company's board of directors.</p>
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(Note) For details of the Stock Acquisition Rights, please refer to the Conditions of the 12th Series Stock Acquisition Rights Japan Display Inc. (Schedule).

### Proposal No. 5: Election of Seven (7) Directors

Subject to the approval of Proposal No. 2, “Partial Amendment to the Articles of Incorporation (1),” at the closing of this Meeting, the Company will transition from a company with supervisory auditors to a company with a committee governance structure. Accordingly, the term of office of all Directors (five persons) and all Company Auditors (four persons) will expire at the closing of this Meeting. Therefore, the election of seven Directors is proposed.

The candidates for Directors of the Company are as follows.

[Reference] Office scheduled to be assumed by the candidates for Directors  
After being elected at this Meeting, the seven candidates will assume office as follows.

Candidate Number	Name	Position			Remarks
		Audit Committee	Nominating Committee	Compensation Committee	
1	Scott Callon		Chairman	Chairman	Re-elected Representative Executive Officer and Chairman
2	Toshihiro Ueki	Committee member			Newly elected Non-executive
3	Nobuyuki Nakano	Chairman			Newly elected Outside
4	Ryosuke Kuwada		Committee member	Committee member	Re-elected Outside Independent
5	Nobuyuki Higashi		Committee member	Committee member	Re-elected Outside
6	Tamane Ozeki		Committee member	Committee member	Newly elected Outside Independent
7	Toshiaki Kawashima	Committee member			Newly elected Outside Independent

Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
1 Re-elected	<p>Scott Callon (Dec. 6, 1964)</p> <p>Attendance at the meetings of the Board of Directors after assuming office as Director in March 2020</p> <p>Number of meetings held: 2 Number of attendances: 2 Attendance rate: 100%</p>	<p>Apr. 1988 MIPS Computer Systems, Inc. Sept. 1991 Asia-Pacific Research Center, Stanford University Mar. 1994 Visiting scholar of Research Institute of Capital Formation, Japan Development Bank Aug. 1994 Tokyo branch, Bankers Trust Asia Securities Co., Ltd. Mar. 1997 Morgan Stanley Japan Limited June 2000 Japan Representative, Prudential plc May 2001 Representative Director, PCA Asset Management Limited (an affiliate of Prudential plc) Apr. 2002 Morgan Stanley Japan Limited Jan. 2003 Head of Equities, Morgan Stanley Japan Limited May 2006 Chief Executive Officer, Ichigo Asset Management, Ltd. (current position) Oct. 2008 Chairman and Representative Statutory Executive Officer, Ichigo Inc. Nov. 2008 Chairman of Board of Directors and, Chairman and Representative Statutory Executive Officer, Ichigo Inc. (current position) May 2012 Outside Auditor, Chiyoda Co., Ltd. Mar. 2014 Independent Director, CaaStle Inc. (current position) May 2015 Independent Director, Chiyoda Co., Ltd. July 2017 Chairman and Statutory Executive Officer, Ichigo Investment Advisors Co., Ltd. Mar. 2020 Representative Director and Chairman of the Company June 2020 Chairman and Representative Director, concurrently serving as Chairman Executive Officer of the Company (current position) June 2020 Outside Director, FUJITSU LIMITED (current position)</p> <p>[Significant concurrent positions outside the Company] Chief Executive Officer, Ichigo Asset Management, Ltd. Chairman of Board of Directors and, Chairman and Representative Statutory Executive Officer, Ichigo Inc. Outside Director, FUJITSU LIMITED</p>	Common shares 0
<p>[Reason for nomination as a candidate for Director] Mr. Scott Callon has many years of experience and has provided investment advice specializing in long-term engagement investments in Japanese companies, as an institutional investor. He also devotes himself to enhancing the enterprise value of Japanese companies as a member of the council of experts related to corporate governance and enhancement of the enterprise value of the Financial Service Agency, the Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange. In addition, since 2008, he has executed corporate management as Chairman of Directors Meeting, and Chairman and Representative Statutory Executive Officer of a listed company. Therefore, he has experience and substantial achievements as a manager taking the lead in enhancing the enterprise value for all stakeholders. The Company expects that Mr. Scott Callon's participation in the Company's management will enable the Company to obtain helpful advice and suggestions from him based on his rich experience and deep knowledge of corporate governance cultivated as both an institutional investor and an enterprise manager. Considering that this will contribute to further enhancing the functions of the board of directors and improving the mid- to long-term enterprise value of the Company, the Company proposes that he be elected as its Director again.</p>			



Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
2 Newly elected	Toshihiro Ueki (Mar. 1, 1956)	<p>Apr. 1981 Entered Dainippon Ink and Chemicals, Inc.  Nov. 1981 Entered IBM Japan, Ltd.  Aug. 2004 Entered NVTech Co., Ltd.  Mar. 2007 President, Videocon Display Research Co,  Apr. 2010 Executive Officer and GM of technology development department, V-Technology Co., Ltd.  Apr. 2012 CTO, AvanStrate Inc.  Oct. 2012 CEO, AvanStrate Inc.  July 2016 President and CEO, Nippon Denka, Ltd.  May 2019 Special Assignment of President's Office of the Company  Oct. 2019 Executive Officer, COO and Division Manager of Front-End Production Division of the Company  June 2020 Executive Officer of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]  None</p>	Common shares 0
<p>[Reason for nomination as a candidate for Director]  Mr. Toshihiro Ueki has accumulated a wealth of management experience and many achievements in the electronics equipment field on a global scale after working at major electronics manufacturing and service companies. Following serving as COO and Division Manager of Front-End Production Division of the Company, he has been working to enhance competitiveness in terms of cost, focusing on high-efficiency operations at production sites located in Japan and overseas, and on fostering and strengthening manufacturing technology capabilities. The Company expects that these experiences and insights will enable him to play a central role in strengthening the auditing and supervisory functions, as well as in advising the Company group's management. Therefore, the Company proposes that he be newly elected as its Director.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
3 Newly elected Outside	Nobuyuki Nakano (Jan. 13, 1959)	<p>Apr. 1983 Entered ITOCHU Corporation  Apr. 2002 Deputy General Manager of Aerospace Department, ITOCHU Corporation  May 2005 President, ROHM Semiconductor U.S.A. LLC  Jan. 2013 Entered Sanden Corporation (now Sanden Holdings Corporation) and in charge of Global Corporate Planning  Feb. 2014 Entered the Innovation Network Corporation of Japan (now INCJ, Ltd.); Executive Officer, Managing Director, Value Enhancement Group  June 2015 Outside Director, Renesas Electronics Corporation  June 2018 Outside Director of the Company  Sept. 2018 Executive Officer, INCJ, Ltd.  Mar. 2020 Retired as Outside Director of the Company  June 2020 Left INCJ, Ltd.</p> <p>[Significant concurrent positions outside the Company]  None</p>	Common shares 0
<p>[Reason for nomination as a candidate for Outside Director]  Mr. Nobuyuki Nakano has a wealth of management experience at a major trading company and several manufacturers etc., and advanced management insight through providing management support to investees as Executive Managing Director of INCJ, Ltd. Mr. Nakano provided advice regarding the Company's management and appropriate supervision of business execution from a global business perspective as Outside Director of the Company from June 2018 to March 2020. He is expected to further strengthen the function of the Company's Board of Directors, by providing advice from an independent and objective standpoint on management since he left INCJ, Ltd. in June 2020 and supervising business execution appropriately. Therefore, the Company proposes that he be elected as its Outside Director.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
4 Re-elected Outside Independent	<p>Ryosuke Kuwada (May 29, 1958)</p> <p>Attendance at the meetings of the Board of Directors after assuming office as Director in June 2019</p> <p>Number of meetings held: 29 Number of attendances: 29</p> <p>Attendance rate: 100%</p>	<p>Apr. 1984 Entered Du Pont Japan Ltd.</p> <p>Apr. 1998 Global Business Manager of Display Materials, Du Pont Japan Ltd.</p> <p>Dec. 2001 Business Director, E Ink Corporation</p> <p>Apr. 2004 Global Sales / Marketing Vice President, E Ink Corporation</p> <p>Oct. 2010 General Manager of Corporate Planning Division, Toppan Printing CO., LTD.</p> <p>Apr. 2013 Global Sales / Marketing Vice President, Innova Dynamics, Inc.</p> <p>Feb. 2016 President and Representative Director, Project Far East Corporation (current position)</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] President and Representative Director, Project Far East Corporation</p>	Common shares 0
	<p>[Reason for nomination as a candidate for Outside Director] Mr. Ryosuke Kuwada has a wealth of management experience and many achievements from engaging in global sales and marketing as well as corporate management in each of the categories of liquid crystal displays, electronic components, and advanced nanotechnology. Mr. Kuwada has provided advice regarding the Company's management and appropriate supervision of business execution from a global business perspective as Outside Director of the Company since June 2019. He is expected to further strengthen the function of the Company's Board of Directors. Therefore, the Company proposes that he be elected as its Outside Director again.</p>		

Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
5 Re-elected Outside	<p>Nobuyuki Higashi (Mar. 31, 1964)</p> <p>Attendance at the meetings of the Board of Directors after assuming office as Director in March 2020</p> <p>Number of meetings held: 2 Number of attendances: 2</p> <p>Attendance rate: 100%</p>	<p>Apr. 1987 Entered Nomura Research Institute, Ltd.</p> <p>Apr. 1998 Entered Nomura Securities Co., Ltd.</p> <p>July 2000 Seconded to Nomura Principal Finance Co., Ltd.</p> <p>Dec. 2011 Returned to Nomura Securities Co., Ltd.</p> <p>Apr. 2012 Entered Innovation Network Corporation of Japan (now INCJ, Ltd.) as Investment Business Group Managing Director</p> <p>Apr. 2017 Outside Director, JOLED Inc. (current position)</p> <p>June 2017 Outside Director of the Company</p> <p>June 2018 Retired as Outside Director of the Company</p> <p>Sept. 2018 Seconded to INCJ, Ltd. as Executive Managing Director, Investment Business Group Managing Director (current position)</p> <p>Mar. 2020 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Executive Managing Director, INCJ, Ltd. Outside Director, JOLED Inc.</p>	Common shares 0
	<p>[Reason for nomination as a candidate for Outside Director] Mr. Nobuyuki Higashi has a wealth of experience in investment businesses and operations risk management in securities companies and investment companies, as well as strong management expertise through providing operation support to investee companies. As he supervised management of the Company as its Outside Director from June 2017 to June 2018, and has supervised it as its Outside Director since March 2020, he is expected to provide management advice at the Company's Board of Directors and appropriate supervision of business execution. Therefore, the Company proposes that he be elected as its Outside Director again.</p>		

Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
<p style="text-align: center;">6 Newly elected Outside Independent</p>	<p>Tamane Ozeki (Oct. 30, 1965)</p>	<p>Mar. 1989 Graduated from Hitotsubashi University, Faculty of Economics; Bachelor's degree (economics)</p> <p>Apr. 1989 Entered Industrial Bank of Japan, Limited</p> <p>Mar. 2003 Graduated from School of International Corporate Strategy, Hitotsubashi University; Master's degree (management) in the Management and Finance Course (master's course)</p> <p>Mar. 2004 Entered Belling Point Co., Ltd. (now PwC Consulting LLC.)</p> <p>Mar. 2005 Graduated from School of International Corporate Strategy, Hitotsubashi University; Master's degree (management law) in the Legal and Public Policy Course (master's course)</p> <p>Apr. 2005 Entered GCA Corporation</p> <p>Aug. 2006 Representative Director, dimmi Inc.</p> <p>Feb. 2012 Entered Innovation Drive LLC</p> <p>Apr. 2012 Contracted Associate Professor, International College of Arts and Science, Yokohama City University</p> <p>Mar. 2013 Graduated from School of Engineering, the University of Tokyo, department of Advanced interdisciplinary Studies (doctor's course); Doctor's degree (academic)</p> <p>Dec. 2013 Associate-Industrial Collaboration Professor, Yamagata University, Faculty of Engineering</p> <p>Jan. 2014 Director, Kyoto Stem Cell Innovation, Inc. (Kyoto SCI)</p> <p>Apr. 2014 Associate Guest Professor, Faculty of Engineering, Yamagata University (current position)</p> <p>May 2014 Director, Stem Cell &amp; Device Laboratory, Inc. (SCAD)</p> <p>Apr. 2016 Associate Professor, Graduate School for Creative Cities, Osaka City University</p> <p>Feb. 2018 Advisor, Stem Cell &amp; Device Laboratory, Inc. (SCAD) (current position)</p> <p>Apr. 2018 Associate Professor, Faculty of Commerce, Graduate School of Creative Cities, Osaka City University (current position)</p> <p>[Significant concurrent positions outside the Company] Associate Professor, Faculty of Commerce, Graduate School of Creative Cities, Osaka City University Advisor, Stem Cell &amp; Device Laboratory, Inc. (SCAD)</p>	<p>Common shares 0</p>
		<p>[Reason for nomination as a candidate for Outside Director] Ms. Tamane Ozeki has researched themes such as innovation, business models, University Start-ups, creativity as an associate professor at the Osaka City University Graduate School and an as an Industrial Collaboration Professor, Yamagata University, Faculty of Engineering at Yamagata University. On the other hand, Ms. Ozeki was involved in the startup and management of multiple venture companies and possesses a wealth of management experience as well as advanced expertise in management. She has experience as an author who has studied examples in the field of organic EL in terms of business tie-ups and market creation; therefore, she also has insight into the display market environment. Based on this specialized knowledge and experience, she is expected to provide objective and specialized advice and supervision to the Company from an objective standpoint as an independent Outside Director being independent from the management that executes business. Therefore, the Company proposes that she be newly elected as its Outside Director.</p>	

Candidate number	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions outside the Company	Number of shares of the Company owned
7 Newly elected Outside Independent	Toshiaki Kawashima (June 14, 1947)	<p>Apr. 1970 Entered Arthur Andersen Accounting Office</p> <p>Dec. 1982 Entered Salomon Brothers Asia Ltd., finally served as Chief Financial Officer and Chief Administrative Officer</p> <p>Feb. 1999 General Manager of Financial Affairs Division, Nikko Salomon Smith Barney Securities, Ltd.</p> <p>Jan. 2004 Managing Executive Officer and General Manager of Financial Affairs Division, Citigroup Global Markets Japan, Inc.</p> <p>Jan. 2006 Advisor, Citigroup Global Markets Japan, Inc.</p> <p>June 2010 Left Citigroup Global Markets Japan, Inc.</p> <p>July 2010 Established Kawashima CPA Office</p> <p>Nov. 2011 External Auditor, Citibank Japan, Ltd.</p> <p>June 2012 Outside Auditor, the former Japan Display Inc.</p> <p>Apr. 2013 Outside Auditor of the Company (current position)</p> <p>Sept. 2017 Supervisory Director, Takara Leben Real Estate Investment Corporation (current position)</p> <p>Mar. 2018 Outside Corporate Auditor, Storm Harbor Securities Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Head of Kawashima CPA Office</p>	Common shares 0
<p>[Reason for nomination as a candidate for Outside Director] Mr. Toshiaki Kawashima has expert knowledge and deep insight based on a wealth of experience and many achievements obtained through his many years' experience working as a CPA and executing financial operations at financial institutions, and since 2012, he has audited the Company's business execution of Directors as Outside Auditor (including as Outside Auditor of the former Japan Display Inc.). Mr. Kawashima is expected to provide advice and supervision to management from an objective perspective, being independent of the management that executes the Company's business operations. Therefore, the Company proposes that he be elected as its Outside Director.</p>			

- Note:
- The Japan Display Inc. that ceased to exist in the merger on April 1, 2013 (trade name changed on March 30, 2012, from Japan Display Integration Preparatory Inc.) is noted as the former Japan Display Inc.
  - Ichigo Asset Management, Ltd., where Mr. Scott Callon serves as Chief Executive Officer, offers investment advice to Ichigo Asset Management International, Pte. Ltd. entrusted with the authority related to investment management by Ichigo Trust which holds 672,000,000 Class B Preferred Shares, equivalent to 44.26% of the number of voting rights of the Company's outstanding shares.
  - INCJ, Ltd., where Mr. Nobuyuki Higashi serves concurrently, is a major shareholder of the Company, holding 1,020,000,000 shares of common shares and Class A Preferred Shares, equivalent to 14.10% of the number of voting rights of the Company's outstanding shares.
  - Except for Mr. Scott Callon and Mr. Nobuyuki Higashi, there are no special interests between each candidate for Director and the Company.
  - Mr. Nobuyuki Nakano, Mr. Ryosuke Kuwada, Mr. Nobuyuki Higashi, Ms. Tamane Ozeki and Mr. Toshiaki Kawashima are candidates for Outside Director.
  - The Company has entered into an agreement with Messrs. Ryosuke Kuwada, Nobuyuki Higashi and Toshiaki Kawashima to limit their liabilities for damages under Article 423, paragraph 1 of the Companies Act pursuant to Article 427, paragraph 1 of the Companies Act. The maximum amount of liabilities for damages under the said agreement is the minimum liability amount stipulated in Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company will continue the agreement with them. If the election of Mr. Toshihiro Ueki, Mr. Nobuyuki Nakano and Ms. Tamane Ozeki is approved, the Company will enter into the same agreement with each of them.
  - Messrs. Ryosuke Kuwada and Nobuyuki Nakano are currently Outside Directors of the Company. As of the conclusion of this Meeting, Mr. Ryosuke Kuwada will have served for one year and two months and Mr. Nobuyuki Higashi will have served for five months as Outside Director. Mr. Toshiaki Kawashima is also currently Outside Auditor of the Company, and he will have served for eight years and two months as Outside Auditor (including as outside Auditor of the former Japan Display Inc.) at the time of the conclusion of this Meeting.
  - The Company has designated Messrs. Ryosuke Kuwada and Toshiaki Kawashima as independent officers pursuant to the regulations of the Tokyo Stock Exchange. If Mr. Ryosuke Kuwada's reelection is approved, the Company will continue his designation as an independent officer. If the election of Ms. Tamane Ozeki and Mr. Toshiaki Kawashima is approved, the Company will designate them as independent officers.

9. As stated in the business report “1. Current Status of the Corporate Group, (1) Issues related to Inappropriate Accounting,” in the wake of the receipt of a notice from a former employee of the Company in November 2019, inappropriate accounting treatment in the Company’s previous fiscal years was discovered. During the period from FY 2014 to the second quarter of FY 2020, where securities reports and financial results for the relevant period were corrected, Mr. Ryosuke Kuwada served as Outside Director from June 2019 to the present. Until the discovery of the problem in question, he did not recognize it. However, he made recommendations from the perspective of legal compliance at the Board of Directors and other meetings on a daily basis. After recognizing the problem, he fulfilled his responsibility by making recommendations on conducting a thorough and fair investigation of the problem, figuring out the cause of the problem, and taking measures to prevent its recurrence. As a member of the Governance Improvement Committee, he also expressed positive and constructive opinions on measures to prevent recurrence, including future management systems and corporate governance reforms, and contributed to the formulation of measures to prevent recurrence as described in the Business Report “1. Current Status of Corporate Group, (5) Issues to be Addressed, (i) Corporate Governance Reform.”

From June 2018 to March 2020, Mr. Nobuyuki Nakano served as Outside Director. Until the discovery of the problem, he did not recognize it. However, he made recommendations from the perspective of legal compliance at the Board of Directors and other meetings on a daily basis. After recognizing the problem, he fulfilled his responsibility by instructing a thorough and fair investigation of the problem until his resignation in March 2020.

Mr. Nobuyuki Higashi served as Outside Director from June 2017 to June 2018, and from March 2020 to the present. He did not recognize the problem during his first tenure, but he made recommendations from the perspective of legal compliance at the Board of Directors and other meetings on a daily basis. During his second tenure, he fulfilled his responsibility by making recommendations on conducting a thorough and fair investigation of the problem, figuring out the cause of the problem, and taking measures to prevent recurrence.

Mr. Toshiaki Kawashima has served as Outside Auditor since 2012 (including as Outside Auditor of the former Japan Display Inc.). Until the discovery of the problem, he did not recognize it. However, he made recommendations from the perspective of legal compliance at the Board of Company Auditors and other meetings on a daily basis. After recognizing the problem, he fulfilled his responsibility by making recommendations on conducting a thorough and fair investigation of the problem, figuring out the cause of the problem, and taking measures to prevent its recurrence.

#### [Overview of Limited Liability Agreements]

The Company has entered into an agreement with each of the Directors (excluding Directors who are Executive Directors, etc.) and each of the Company Auditors to limit their liabilities for damages under Article 423, paragraph 1 of the Companies Act pursuant to the Articles of Incorporation of the Company and Article 427, paragraph 1 of the Companies Act.

With this agreement, in the event that any of the Directors (excluding Directors who are Executive Directors, etc.) and any of the Company Auditors causes damage to the Company due to negligence of his/her duties in the performance thereof, and he/she acts in good faith without gross negligence, the liabilities for damages of such Director or Company Auditor shall be the minimum liability amount pursuant to Article 425, paragraph 1 of the Companies Act.

#### [Independence Standards for Independent Outside Directors]

The Company shall elect a person unlikely to cause conflicts of interest with general shareholders (specifically, a person who does not fall under the following requirements) as Independent Outside Director, from among persons satisfying the requirements for Outside Directors set forth in the Companies Act, who have been elected as Outside Directors.

- a. A person whose major business partner is the Company or who executes its business
- b. A major business partner of the Company or a person who executes its business
- c. A consultant, accounting professional, or legal professional who receives a considerable amount of money or other property from the Company in addition to his or her officer compensation
- d. A person who fell under any of the above a., b., or c. until recently
- e. A relative within the second degree of kinship of a person listed in any of the following (i) through (iv)
  - (i) A person listed in a. through d. above
  - (ii) A person who executes business at a subsidiary of the Company
  - (iii) A director of a subsidiary of the Company who does not execute business
  - (iv) A person who fell under (ii) or (iii) or a person who executed business at the Company until recently

(Schedule)

Conditions of the 12th Series Stock Acquisition Rights  
Japan Display Inc.

1. Name of the Stock Acquisition Rights  
Japan Display Inc. 12th Series Stock Acquisition Rights (the “Stock Acquisition Rights”)
2. Total number of the Stock Acquisition Rights to be issued  
20
3. Total proceeds  
JPY 0 (no money is required to be paid in in exchange for the Stock Acquisition Rights)
4. Allotment date and payment date  
August 28, 2020
5. Offering method  
All Stock Acquisition Rights will be allotted to Ichigo Trust through third-party allotment.
6. Class and number of shares underlying the Stock Acquisition Rights

The class of shares underlying the Stock Acquisition Rights shall be Japan Display, Inc. class E preferred Shares (the “Class E Preferred Shares”), and the number of Class E Preferred Shares underlying the Stock Acquisition Rights shall be 5,540 shares (the number of shares underlying each Stock Acquisition Right (the “Number of Granted Shares”) shall be 277 shares).

The Number of Granted Shares shall be adjusted by the following calculation formula if the Company splits (including allotment of the Class E Preferred Shares without contribution) or consolidates the Class E Preferred Shares after the resolution date. However, only the Number of Granted Shares covered by the Stock Acquisition Rights not yet exercised at that time shall be so adjusted; any fraction less than one share resulting from the adjustment shall be omitted.

$$\begin{array}{l} \text{Number of Granted} \\ \text{Shares after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Number of Granted} \\ \text{Shares before} \\ \text{adjustment} \end{array} \times \begin{array}{l} \text{Share split/consolidation} \\ \text{ratio} \end{array}$$

In addition to the above, if the Company implements a capital decrease, merger, company split, or share exchange, or any other unavoidable event requiring adjustment of the Number of Granted Shares occurs after the resolution date, the Company may adjust the Number of Granted Shares within a reasonable extent after taking into consideration the terms for such capital decrease, merger, company split, or share exchange.

The details of shares underlying the Stock Acquisition Rights are as follows.

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- (i) Dividend of surplus
  - a. Dividend of surplus

the Company will pay dividends per Class E Preferred Share calculated by multiplying dividends per common share by the Class E Conversion Rate (defined below) on the dividend payment date to shareholders and pledgees of the Class E Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date (if a record date is set, on such record date; hereinafter the same) (such shareholders, the “Class E Preferred Shareholders,” and such pledgees, the “Registered Pledgees of Class E Preferred Shares”) pari passu with the shareholders and pledgees of common shares who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the “Common Shareholders,” and such pledgees, the “Registered Pledgees of Common Shares”); shareholders and pledgees of Japan Display Inc. class A preferred shares (the “Class A Preferred Shares”) who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the “Class A Preferred Shareholders,” and such pledgees, the “Registered Pledgees of Class A Preferred Shares”); shareholders and pledgees of Japan Display Inc. class B preferred shares (the “Class B Preferred Shares”) who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the “Class B Preferred Shareholders,” and such pledgees, the “Registered Pledgees of Class B Preferred Shares”); shareholders and pledgees of Japan Display Inc. class C preferred shares (the “Class C Preferred Shares”) who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the “Class C Preferred Shareholders,” and such pledgees, the “Registered Pledgees of Class C Preferred Shares”); and shareholders and pledgees of Japan Display Inc. class D preferred shares (the “Class D Preferred Shares”) who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the “Class D Preferred Shareholders,” and such pledgees, the “Registered Pledgees of Class D Preferred Shares”). If a fraction that is less than JPY 1 occurs as a result of multiplying the dividend amount per Class E Preferred Share by the number of Class E Preferred Shares held by the Class E Preferred Shareholders and the Registered Pledgees of Class E Preferred Shares, such fraction will be omitted.

“Class E Conversion Rate” means the number (calculated to the third decimal place, and the digit in the third decimal place will be omitted) obtained by dividing the Class E Investment Amount (defined in b. below; hereinafter the same) at that time by the Class E Conversion Price (defined in (vii) c. below; hereinafter the same).

b. Class E Investment Amount

The Class E Investment Amount is as follows:

- (a) The initial amount will be JPY 10,000,000.
- (b) If the Company implements a share split, consolidation of shares, or allotment of shares without contribution (collectively, the “Share Split, etc.”), the Class E Investment Amount will be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company will calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, “Number of issued and outstanding Class E Preferred Shares before the Share Split, etc.” and “Number of issued and outstanding Class E Preferred Shares after the Share Split, etc.” in the following formula are to be read as “Number of issued and outstanding Class E Preferred Shares before the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by the Company at that time)” and “Number of issued and outstanding Class E Preferred Shares after the allotment of shares without contribution (excluding, however, the Class E Preferred Shares held by the Company at that time),” respectively.

$$\text{Class E Investment Amount after adjustment} = \text{Class E Investment Amount before adjustment} \times \frac{\text{Number of issued and outstanding Class E Preferred Shares before the Share Split, etc.}}{\text{Number of issued and outstanding Class E Preferred Shares after the Share Split, etc.}}$$

The Class E Investment Amount after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (c) If other events similar to (b) above occur, the Class E Investment Amount will be properly adjusted by resolutions of the Company's board of directors meeting.
- (ii) Distribution of residual assets
  - a. Distribution of residual assets

When the Company distributes its residual assets at the dissolution of the Company, the Company will pay amounts per Class E Preferred Share equivalent to the Class E Investment Amount to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares before the Common Shareholders and Registered Pledges of Common Shares; and pari passu with the Class A Preferred Shareholders and the Registered Pledges of the Class A Preferred Shares, the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of the Class C Preferred Shares as well as the Class D Preferred Shareholders and the Registered Pledges of the Class D Preferred Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class E Preferred Share by the number of Class E Preferred Shares held by the Class E Preferred Shareholders and the Registered Pledges of Class E Preferred Shares, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets should be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.

- b. Participation clause

If residual assets remain even after the distribution of residual assets to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares pursuant to a. above, the Company will distribute residual assets per Class E Preferred Share calculated by multiplying the amount of residual assets per common share by the Class E Conversion Rate at the time of the distribution of residual assets to the Class E Preferred Shareholders and Registered Pledges of Class E Preferred Shares pari passu with the Common Shareholders and Registered Pledges of Common Shareholders; the Class A Preferred Shareholders and the Registered Pledges of Class A Preferred Shares; the Class B Preferred Shareholders and the Registered Pledges of Class B Preferred Shares, the Class C Preferred Shareholders and the Registered Pledges of Class C Preferred Shares; and the Class D Preferred Shareholders and the Registered Pledges of Class D Preferred Shares.

- (iii) Transfer restriction

Acquisition of Class E Preferred Shares through their transfer requires the approval of the Company's board of directors meeting.

- (iv) Voting rights



Unless otherwise provided for by law, the Class E Preferred Shareholders have no voting rights at general meetings of shareholders.

- (v) Voting rights at the general meeting of class shareholders

Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class E Preferred Shareholders is required in order for the Company to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.

- (vi) Cash-consideration call option (mandatory redemption)

Notwithstanding the intent of the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares, in exchange for delivering the Class E Investment Amount to the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by the Company's board of directors meeting (the "Mandatory Redemption Date"), to the extent permitted by applicable laws, the Company can acquire the Class E Preferred Shares in whole or in part anytime, if the Mandatory Redemption Date has arrived. If there is more than one Class E Preferred Shareholder at the time of acquiring part of the Class E Preferred Shares, the Class E Preferred Shares to be acquired by the Company will be determined by its board of directors meeting on a pro rata basis.

- (vii) Common share-consideration put option (right to claim conversion)

- a. Details of the conversion claim

On or after the first anniversary of the payment date (meaning the day when the Class E Preferred Shares are initially issued; hereinafter the same), to the extent permitted by applicable laws, the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares can claim that the Company deliver common shares per Class E Preferred Share the number of which is calculated based on the formula stated in b. below, in exchange for the Company acquiring the Class E Preferred Shares (the "Conversion Claim").

- b. Formula for number of common shares to be delivered based on the conversion claim

The number of common shares to be delivered in exchange for acquiring one Class E Preferred Share will be calculated based on the following formula:

(Formula)

Number of common shares to be delivered in exchange for acquiring one Class E Preferred Share

= Class E Investment Amount ÷ Class E Conversion Price

If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class E Preferred Shareholders and Registered Pledgees of Class E Preferred Shares, such fraction will be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.

- c. Class E Conversion Price

The Class E Conversion Price means an amount stated below.

- (a) The initial price shall be JPY 24.

- (b) Notwithstanding (a) above, if any of the following (A) through (E) occurs at the Company, the Company will adjust the Class E Conversion Price in accordance with each of (A) through (E). If a fraction that is less than JPY 1 occurs as a result of the adjustment, the Company will calculate such fraction to the third decimal place, and omit digits after the second decimal place.
- (A) If the Company implements the Share Split, etc. of common shares, the Company will adjust the Class E Conversion Price based on the formula below. In the case of an allotment of shares without contribution, “Number of issued and outstanding common shares before the Share Split, etc.” and “Number of issued and outstanding common shares after the Share Split, etc.” in the following formula are to be read as “Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by the Company at that time)” and “Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by the Company at that time),” respectively.

$$\text{Class E Conversion Price after adjustment} = \text{Class E Conversion Price before adjustment} \times \frac{\text{Number of issued and outstanding common shares before the Share Split, etc.}}{\text{Number of issued and outstanding common shares after the Share Split, etc.}}$$

The Class E Conversion Price after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (B) If the Company issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (B)) the price of which is less than the Class E Conversion Price before the adjustment (excluding, however, the cases where (i) the Company implements an allotment of shares without contribution, (ii) the Company issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this paragraph), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or the Company, or subject to conditions that certain events occur; hereinafter the same), (iii) the Company delivers its common shares as a result of a merger, share exchange, or company split, or (iv) the Company sells its treasury shares pursuant to Article 194 of the Companies Act), the Company will adjust the Class E Conversion Price based on the formula below.

In these Conditions of the 12th Series Stock Acquisition Rights of Japan Display Inc., the “Total Number of Shares” means the number obtained by adding (i) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by the Company) as of the day before the date on which the Class E Conversion Price after the adjustment is applied to (ii) the number of issued and outstanding common shares as of the same day (excluding those held by the Company).

Also, in the case of a disposition of treasury shares, “Issue price” and “Number of shares to be newly issued” in the formula stated in this item (B) are to be read as “Disposition price” and “Number of treasury shares to be disposed,” respectively.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class E Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), if a record date for the allotment to shareholders is set, on and after the day following such record date.

- (C) If the Company issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class E Conversion Price before adjustment, the Company will adjust the Class E Conversion Price based on the formula below.

However, “Number of shares to be newly issued” in the formula stated in this item (C) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (C) is applied.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class E Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (D) If the Company issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the “Price of Consideration per Share” in this item (D)) is less than the Class E Conversion Price, the Company will adjust the Class E Conversion Price based on the formula below.

However, “Number of shares to be newly issued” in the formula stated in this item (D) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (D) is applied.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \left( \frac{\text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \right)}{1}$$

The Class E Conversion Price after adjustment will be applied on and after the day following the day of the allotment, in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class E Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (E) If any of (a) a merger in which the Company becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which the Company becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which the Company becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of the Company to be allotted to shareholders of a consolidated company through a merger or per share of the Company to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of the Company to be allotted to a split company or shareholders of a split company (the “Allotted Shares”) (such value is reasonably determined by the Company’s board of directors meeting. If such Allotted Shares can be converted into its common shares, such value will be a converted amount per common share; hereinafter the same) is less than the Class E Conversion Price before adjustment, the Company will adjust the Class E Conversion Price based on the following formula.

However, if such Allotted Shares can be converted into the Company’s common shares, the “Number of Allotted Shares” in the formula stated in this item (E) should be the number of common shares underlying such shares.

$$\text{Class E Conversion Price after adjustment} = \frac{\text{Class E Conversion Price before adjustment} \times \left( \frac{\text{Total Number of Shares} + \frac{\text{Number of Allotted Shares} \times \text{Value per share}}{\text{Class E Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of Allotted Shares}} \right)}{1}$$

The Class E Conversion Price after adjustment will be applied on and after the effective date of such merger, share exchange, or company split.

(viii) Consolidation of shares or share split

- a. If the Company implements a share split or consolidation of shares, the Company will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares, the Class C Preferred Shares, the Class D Preferred Share, and the Class E Preferred Shares, at the same time and proportion for each class.
- b. If the Company grants to shareholders entitlement to the allotment of offered shares, the Company will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the allotment of the Class B Preferred Shares, to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, to the Class D Preferred Shareholders entitlement to the allotment of the Class D Preferred Shares, and to the Class E Preferred Shareholders entitlement to the allotment of the Class E Preferred Shares, at the same time and proportion, respectively.
- c. If the Company implements an allotment of shares without contribution, the Company will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution, the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, the Class D Preferred Shares to the Class D Preferred Shareholders without contribution, and the Class E Preferred Shares to the Class E Preferred Shareholders without contribution, at the same time and proportion, respectively.
- d. If the Company grants to shareholders entitlement to the allotment of offered stock acquisition rights, the Company will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, to the Class A Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, to the Class B Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, to the Class C Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, to the Class D Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class D Preferred Shares are the underlying shares, and to the Class E Preferred Shareholders entitlement to the allotment of stock acquisition rights for which the Class E Preferred Shares are the underlying shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights.
- e. If the Company implements allotment of stock acquisition rights without contribution, the Company will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, stock acquisition rights for which the Class D Preferred Shares are the underlying shares to the Class B Preferred Shareholders, and stock acquisition rights for which the Class E Preferred Shares are the underlying shares to the Class E Preferred Shareholders, at the same time and proportion, respectively.

7. Amount to be paid-in upon exercising stock acquisition rights

The value of properties to be contributed upon exercising each Stock Acquisition Right shall be the result of the amount to be paid-in for one share that may be delivered by exercising such stock acquisition right (the “Exercise Price”), multiplied by the Number of Granted Shares.

The Exercise Price shall be JPY 10,000,000 per share.

If any of the following events occurs to the Company after the allotment date, the Company shall adjust the Exercise Price by using the respective calculation formula; any fraction less than JPY 1 resulting from the adjustment shall be rounded to the nearest whole number.

- (i) If the Company splits (including allotment of the Class E Preferred Shares without contribution) or consolidates the Class E Preferred Shares:

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Share split/consolidation ratio}}$$

- (ii) If the Company implements a capital decrease, merger, company split, or share exchange, or any other unavoidable event requiring adjustment of the Exercise Price occurs, the Company may adjust the Exercise Price within a reasonable extent after taking into consideration the terms for such capital decrease, merger, company split, or share exchange.

8. Exercisable period for the Stock Acquisition Rights

From October 1, 2020 until June 30, 2024 (if such day is not a business day of the Company, the business day immediately before such day.)

9. Conditions to exercising the Stock Acquisition Rights

N/A

10. Amount to be incorporated into the stated capital out of the issue price of share certificates if issued by exercising the Stock Acquisition Rights

The amount of the stated capital increased when issuing the Class E Preferred Shares by exercising the Stock Acquisition Rights shall be one-half of the Maximum Amount of Increase in Stated Capital calculated pursuant to Article 17, paragraph (1) of the Regulation on Corporate Accounting (any fraction less than JPY 1 resulting from the calculation shall be rounded to the nearest whole number), and the remaining amount shall be the amount of capital reserves.

11. Matters regarding transfer of the Stock Acquisition Rights

Acquisition of the Stock Acquisition Rights through their transfer shall require the approval of the board of directors of the Company.

12. Acquisition of the Stock Acquisition Rights

If the Stock Acquisition Rights are transferred to a third party in breach of paragraph 11, and the board of directors of the Company resolves that it is necessary to acquire the Stock Acquisition Rights, the Company shall give notice pursuant to Articles 273 and 274 of the Companies Act on and after the day following the allotment date of the Stock Acquisition Rights and shall be entitled to acquire all or part of the Stock Acquisition Rights remaining on the acquisition date

to be determined by the board of directors of the Company without contribution. If the Company acquires part of the Stock Acquisition Rights, the board of directors of the Company will determine the number of Stock Acquisition Rights to be acquired.

13. Method to request an exercise of the Stock Acquisition Rights

- (1) If the Stock Acquisition Rights are exercised, the department accepting requests to exercise the Stock Acquisition Rights described in paragraph 15, shall be notified of the matters necessary for a request to exercise the Stock Acquisition Rights during the exercisable period described in paragraph 8.
- (2) If the Stock Acquisition Rights are exercised, in addition to the notice set forth in the preceding item, the entire amount of property to be invested upon exercising the Stock Acquisition Rights shall be transferred in cash to an account to be designated by the Company at the payment handling bank described in paragraph 16.
- (3) A request to exercise the Stock Acquisition Rights shall be effective on the date when a notice of all matters necessary for the request to exercise the Stock Acquisition Rights is provided to the department accepting requests to exercise the Stock Acquisition Rights described in paragraph 15, and when the entire amount of property to be invested upon exercising the Stock Acquisition Rights has been transferred to an account as set forth in the preceding item.

14. Non issuance of securities of stock acquisition rights

The Company will not issue any securities of stock acquisition rights regarding the Stock Acquisition Rights.

15. Department accepting requests to exercise the Stock Acquisition Rights

Finance Division, Japan Display Inc.

16. Payment handling bank

Headquarters of Mizuho Bank, Ltd.

17. Others

- (1) Each paragraph above is conditioned on a proposal related to the issuance of the Stock Acquisition Rights being approved at the Company's annual general meeting of shareholders scheduled to be held on August 26, 2020 (the "General Meeting of Shareholders") and a proposal concerning the partial amendment to the Articles of Incorporation for the issuance of the Class E Preferred Shares which are the underlying shares of the Stock Acquisition Rights being approved at the General Meeting of Shareholders, general meeting of class shareholders by the Class A Preferred Shareholders, and general meeting of class shareholders by the Class B Preferred Shareholders.
- (2) Other matters necessary for the Stock Acquisition Rights will be entrusted to the representative directors of the Company.

End

## **[Class Meeting by Common Shareholders]**

### **Proposal: Partial Amendments to the Articles of Incorporation**

As this proposal is identical to Proposal No. 3 “Partial Amendments to the Articles of Incorporation (2)” stated from page 13 to page 34 of the Reference Documents for the General Meeting of the Shareholders, please refer to the relevant pages.

End